

JPRS-NEA-86-103

26 AUGUST 1986

Near East/South Asia Report

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REGIONAL AFFAIRS

NET OUTFLOW OF SMUGGLED ARMS REPORTED INTO IRAN, IRAQ

Istanbul CUMHURİYET in Turkish 17 Jun 86 p 7

[Report by Halil Nebiler]

[Text] It was learned that nearly 40,000 weapons were smuggled from Turkey into Iran and to the Barzani forces in Iraq in the last 5 years.

According to the official assessments of the Ministry of the Interior and martial law commands, 822,724 pistols, automatic pistols and automatic rifles of various types as well as 5,458,000 rounds of various types and calibers of ammunition were captured in the 4-year period between December 1978 and September 1982.

It was disclosed that the arms trade continued for a while in the rural areas of eastern and southeastern Anatolia as "regional movements" in the period after 12 September 1980, but that relentless operations carried out by the martial law authorities made the carrying or possession of weapons dangerous and that, as a result, local arms merchants became dominant. Small arms such as Berettas, French ten-shooters, Vizors and Brownings were collected in small batches from the citizens. Meanwhile, the arms merchants also took control of weapons hidden by certain organizations. These weapons are described by the police as "dirty" or "buried" weapons.

Security officials described these movements and the subsequent traffic that flowed outside the country as follows:

"For a while, small arms smugglers of the area sold the buried arms to villages and tribes with running blood feuds between them. Weapons were collected one by one from the villages and sold in small batches. However, this trade soon spilled over to other countries. While there was a net inflow of arms from overseas before 12 September, the trend has now been reversed in the east and the southeast with the participation of foreign arms dealers. In the 5 to 5 1/2 years following the military operation in Turkey, nearly 40,000 were smuggled outside the country mainly to opponents of Khomeyni in Iran, Iranian smugglers and the Barzani forces in Iraq. However, this figure is an estimate. What is more interesting is that these weapons were smuggled in batches of at most 15 to 20 pieces."

It was learned that a major portion of the weapons smuggled outside the country was made up of Soviet-made Kalashnikov automatic rifles and automatic pistols known in Turkey as "Scorpion." It was also determined that the Kalashnikov rifles smuggled during this period were sold for 1.5 to 2 million Turkish liras each depending on the day and that the Scorpion pistols were sold for 700,000 to 1 million Turkish liras each. Other weapons smuggled from eastern and southeastern provinces, such as Baretts, French ten-shooters, Vizors and Brownings were sold for prices ranging from 150,000 to 350,000 Turkish liras each.

Reluctant to give more detailed information about the subject, the security officials stated that they do not believe that any official report has been issued on the issue of arms smuggling abroad because of the sensitive nature of the subject.

9588

CSO: 3554/111

ARMENIAN AFFAIRS

EVREN TO UNVEIL MONUMENT FOR TURKS 'MASSACRED BY ARMENIANS'

Istanbul JAMANAK in Armenian 7 Jul 86 pp 1, 4

[Text] His Excellency Kenan Evren, President of the Republic has been busy recently and his tours of the Eastern regions and other visits have brought him into contact with the people. Yesterday he left Erzerum for Eghder and after a number of inspections, gave a speech in the square of the district. While speaking on various topics in this frontier region, he dwelt on the Armenian Problems and said the following to the many thousands gathered there: "The crafty thief tries to put the blame on the landlord. The Armenians too, after perpetrating so many massacres, are telling the world of having been victims of a genocide whereas it is they who carried out the real massacres."

After talking about the need for a monument to symbolize this situation, Evren continued: "The real atrocities were the work of the Armenians, but till now we have not felt the need to publicize all that to the world. However, seeing that they are talking everywhere about an alleged genocide carried out against them and erecting monuments, we intend to build even greater ones against them. Turkey has been driven to these positions because of the ignorance of its people. If our compatriots try to keep in step with the progress in science and education in our times, Turkey will again become a great Turkey. We can attain their level without losing anything from our national traditions and our customs."

After stating that Islam is the most recent religion on earth and because of that it is the religion that gives importance to science and intelligence, President Evren added: "It is a pity that certain circles restrict us to the harsh conditions of this religion and cause us always to remain behind in a number of areas."

Later on, Evren read parts of the Koran and quoting examples from the sections of Pakara, Fedge and Nasr, said that "it is wrong to put pressure in matters of religion, he who wants to do the 'namaz' does it, he who doesn't desire refrains from it. Every man is responsible only to himself."

Evren insisted also that because of racial discrimination, compatriots have turned into enemies against each other, and certain forces have tried to create troubles between them.

Evren appealed also to businessmen to invest in these remote areas of the land and to open factories and help in the progress of the country.

Inauguration Of Monument

After attending the graduation ceremonies at the Ataturk University President Evren will go to Aladja village and visit the mass grave of the Turks murdered by the Armenians in 1918, following which he will inaugurate a monument.

Tomorrow, after visiting Aghre, Evren returns to Ankara.

12364/12859

CSO: 4605/55

EGYPT

PLO OFFICES CLOSURE. SYRIAN ROLE DISCUSSED

NC160700 Cairo MENA in Arabic 2245 GMT 15 Jul 86

[Text] Cairo, 15 Jul (MENA)--AL-AKHBAR writes that relations between Jordan and the PLO have been dealt a heavy blow with the recent decision to close down the PLO offices in Amman. This has put an end to four years of close relations, and has come at a time when there is the most need to strengthen cooperation and coordination and find a solution to the Middle East problem.

In its editorial tomorrow, Wednesday, the paper asks: If this step heralds some possible search for a more moderate leadership, what form will coordination take between the alternative leadership of Abu al-Za'im [Colonel 'Atallah 'Atallah] and the alternative leaders supported by Syria?

The paper adds: In the end, this step is a link in the chain of strange events and unexplainable, amazing positions. The behavior of some Arab rulers is no longer logical while the behavior of others is an enigma.

AL-AKHBAR goes on to say that no political analyst or expert can explain what is going on in the Arab world. Some people have reacted negatively to the Syrian-Libyan alliance with Iran and refrained from using the words of condemnation and denunciation that they love, while financial support for the Syrian regime has continued. On the date set for the Iraqi and Syrian foreign ministers to meet following the efforts made by King Husayn to initiate a rapprochement, the meeting was cancelled. Iran then announced an oil deal totaling 2.5 million tons but the price was not stated. This happened when Iran had just three months earlier asked Damascus to settle its oil debts which come to more than \$1 billion.

The paper stresses that Syria's rejection of reconciliation with Iraq will continue at least until April 1987. It notes that the recent Iranian offensive to retake Mehran, which came only 2 days after the visit by a Syrian emissary, identified as a Syrian proxy, to the Iranian leaders has involved the Syrian role in this war.

Concluding its editorial, AL-AKHBAR says that because the absence of an official request from the Syrian officials and leaders that helped to bring that their aim is to stop the conflict, the paper says: does not mean stopping delivery of heavy weapons and tanks to the Shi'ite militias enough to stop this war. The new Syrian influence on the scene sufficient to stop this war in which Syrian support has been so important to the Iranian and Hezbollah.

1972

CSO: 1972/170

MOROCCO

RABAT SAID TO SEEK DIALOGUE WITH SPAIN

London AL-MUSTAQBAL in Arabic 28 Jun 86 p 1

/Text/ The Moroccan monarch King Hassan II chose the occasion of the legislative elections in Spain to personally announce that he is dispatching Moroccan Crown Prince Mohamed to Madrid. This announcement coincided with the appointment of Azzeddine Guessous, the former Moroccan minister in charge of relations with the European Community, as ambassador to Spain, as a significant event, whether in regard to the role that Spain could play to facilitate Moroccan negotiations with the EEC after becoming a basic partner in it or with regard to the nature of the existing problems between the two countries.

However, the most important matter within the context of the unresolved problems between the two countries is the eruption of the security situation in the Moroccan city of Melilla, that Spain has been occupying, after the issuing of the so-called Alien Law.

In this context, it is noted that 7,000 Moroccan citizens who are living in the city have been granted Spanish citizenship, out of 27,000 who have identification papers that do not specify their identity as either Moroccans or Spaniards.

Leaflets assailing the Spanish Alien Law were recently disseminated in the Moroccan city of Melilla, criticizing injustice and demanding legitimate rights for the original residents of the city and for Moroccan citizens. The leaflets urged merchants to announce general strikes in solidarity with Aomar Mohamedi, chairman of the Melilla Democratic Party and the Moroccan citizens' candidate for the legislative elections in the two occupied cities of Ceuta and Melilla. His house and a member of his family have been subjected to attack by Spanish extremists. The visit of Moroccan Crown Prince Mohamed will be an occasion to affirm Morocco's desire to solve existing problems with Madrid by peaceful means since Morocco links together the extension of Madrid's sovereignty over the Rock of Gibraltar and Spain's entering into direct negotiations with Morocco concerning the future of the two Moroccan cities of Ceuta and Melilla which are located in northern Morocco. Morocco refuses to accept their conversion to NATO military bases on the eve of Spain's joining the alliance.

There is no doubt that Morocco's desire to strengthen dialogue with Spain stems not only from economic standpoints which will make it possible for

Morocco to change its situation, which has been greatly damaged due to the two Iberian Peninsula nations, Spain and Portugal, joining the EEC. In the EEC, the two new members benefit from a special law which allows the free circulation of commodities, while the exports of other countries that do business with the EEC, among which are the countries of the Arab Maghreb, are subjected to the customs duty statute. This raises the prices of these countries' products in comparison with the products of Spain and Portugal's.

In addition to these economic arguments, Morocco wants, on the other hand, to strengthen its relations with Spain, from two basic standpoints: (1) the concern for security in the Mediterranean basin--Rabat affirms its desire for it to remain a lake of peace and (2) the existing tension in the North African region.

/12228

CSO: 4504/389

SUDAN

NEW GOVERNMENT CRACKS DOWN ON ISLAMIC DA'WAH ORGANIZATION

London AL-DUSTUR in Arabic 7 Jul 86 pp 20-21

[Article by Yusuf al-Shanbali: "The Battle With the Muslim Brotherhood Goes Bone-Deep!"]

[Text] It has now become clear that the government, born in a democratic milieu, will never resort to settling its accounts with its political enemies by using the same ways and means which had formerly prevailed in the Sudan, even though the feeling remains that nothing has happened to either alter or reinforce some peoples' conviction that Prime Minister al-Sadiq al-Mahdi is a dictator in civilian clothing, as the Muslim Brotherhood front has been wont to call him.

Therefore, in its first confrontation with the al-Turabi front, the al-Sadiq government has seen fit to resort to the law and the Shari'ah to crack down on one of the most important activities on which the front depends financially and politically. Last week the attorney general issued a decree forbidding the activities of the Islamic Da'wah Organization, an Arab-African-international organization whose ostensible purpose is to offer guidance to Muslim groups in Africa, to spread the call to Islam among non-Muslims, and to provide health and educational aid to anyone who needs it throughout the continent.

When al-Sadiq al-Mahdi was in the trenches fighting the Numayri regime in the late Seventies, and when he was attempting to save broad segments of his supporters in the western Sudan where famine had begun unsheathing its claws and the encroaching desert was threatening the people with migration and dispersal, these very causes led him to broaden his relations with that organization, to encourage it to explore possibilities in the Sudan, and to use its swollen coffers to help cover up the emerging disaster threatening life in western and eastern Sudan. We cite as proof the fact that 'Abdallah Muhammad Ahmad, one of al-Sadiq's strongest supporters in the Ummah Party, was a member of this organization's board when it began its activities in the Sudan.

The Muslim Brothers Are Swallowing Up the Organization

However, it seems that the dramatic sequence of events in the Sudan in the early Eighties gave al-Mahdi no chance to pursue his contacts with the Da'wah organization. Furthermore, the famine issue became marginal compared to the other dangers which the Numayri regime was inflicting on the country. Here the opportunity presented itself to the al-Turabi group to swallow up the organization, in which move it was aided by its participation in the Sudanese government and by its control over several executive and legislative positions, whereby Da'wah organization plans were slipped in with impunity. Furthermore, the so-called Islamic Shari'ah laws, which al-Turabi's Islamic National Front and the Islamic Da'wah Organization had considered one of their goal for the dark continent, were imposed in 1983.

Incorrect Practices

When there happened what happened in the Sudan, an election campaign accompanied by political mobilization was inevitable. All the parties' platforms were based on isolating the "May remnants," meaning Dr al-Turabi's front. However, this group came under a cloud when, to gain votes, it used methods which had been condemned following the second democratic campaign of 1968--methods which cleared the way for the tanks of the second military dictatorship in Sudanese history. Even making allowances for what all the parties were saying about these practices, the Sudanese streets were buzzing over the vast sums of money which the al-Turabi front was pouring out the length and breadth of the country, and the goods which were flooding village streets, beginning with sorghum, the staple food of the Sudanese people which had become very scarce because of the famine, and ending with diesel donkey engines for pumping water from the ravaged ground.

A Spirit of Tolerance

The parties endured this state of affairs. While political isolation was impossible under the constitutional law which the Suwar al-Dhahab-al-Jazuli government had installed in place of the revolutionary law, the Corrupt Practices Law, which was presumably to have been the backbone of the election law, particularly during this election campaign which came after 6 years of obvious and hidden corruption, was unable to catch anyone except for a few persons from the al-Turabi group. After that, the spirit of tolerance which characterizes the Sudanese people in public and private alike prevailed.

The election campaign resulted in a swollen demon in the form of the Muslim Brotherhood, which was very cautious after the passage of the Islamic Shari'ah laws and wrapped itself in the voluminous cloak of the Islamic National Front, in view of the feelings aroused throughout the Arab world by the first name, which might abort its working methods on the African continent. The Islamic Da'wah Organization was rumored to have had a large part to play in this change, in order to stretch out its hand further so as to attract more aid from other countries to help its branch in the Sudan!

Penetration of the Army

All of this and more made up a dossier which grew larger and larger each day in al-Sadiq al-Mahdi's eyes, and which explains his insistence on taking over the defense ministry in addition to the prime ministry. During Numayri's rule, the al-Turabi front had succeeded in penetrating the armed forces and the police, with aid from the "Safety for the Sudan" [Aman al-Sudan] organization, the most recent installment of which consisted of more than 100 rescue vehicles for the police. The elected government was able to restrict this dubious, or to be more precise distorted, aid, and to sooth the political tensions which these relations aroused among the citizens, especially among the party masses, authorities and unions which started the uprising and which had cautioned the transition government about the consequences and danger of this penetration, without being heeded.

A State Within a State

Then came the next step, or the telling blow, when the Islamic Da'wah Organization called a meeting of its secretariat in Khartoum, reserved Friendship Hall, one of the large government auditoriums, and decided who would be invited to the opening session. In an attempt at misrepresentation and protection, the highest protocol status was accorded to Head of State Ahmad al-Mirghani, whose party shares power in the al-Sadiq government. Invitations were sent to some diplomats and others were left out, while unconcealed political and media demonstrations were prepared. It appeared as if there were a state operating within the state. The senior guests arrived from abroad without the government finding out except through the press, as the information minister has remarked. Then, just hours before the scheduled time for the meeting, the attorney general issued a statement prohibiting the activities of the Islamic Da'wah Organization in the Sudan, citing as legal basis the fact that the organization had not renewed its license since 1980. This legal pretext in itself was not enough to achieve the al-Sadiq government's goal, in view of the democratic principle of separation of judicial powers. Actually, the al-Turabi group quickly went to court to appeal the decree, and the political battle commenced.

An Unsanctioned March

The group sought a civil court decision to annul the attorney general's measure, and the guests and hosts marched to Friendship Hall to start the meeting. But then the defense ministry took matters into its own hands (the minister was Sayyid Ahmad al-Husayn, a senior leader of the Democratic Federal Party) and the central police reserve forces prevented the meeting from convening, and scattered the group after calling out to them in the name of the government. Ahmad al-Mirghani had excused himself from attending, out of respect for the law, as he later claimed. Then Information Minister Muhammad Tawfiq issued a statement accusing the Islamic National Front of having used the Islamic Da'wah Organization to achieve its own political ends. After the front's information media stepped up the campaign against the government, al-Sadiq al-Mahdi frankly said that al-Turabi's group was using financial aid

obtained from the Da'wah organization in its fight with the authorities. Furthermore, the civil court judge whose verdict referred to above had so delighted the front later explained that the organization's lawyer, in his presentation, had been unable to name the person who had prevented the implementation of the government order.

While the issue remained active in the courts, the political aspect, which is still obvious, began taking form. The government, undeterred by the threat to move the organization's headquarters out of the Sudan, insisted on fully supervising its activities within the country, placing all its commercial, educational and health organizations, including several hospitals, under government control, and having their accounts submitted regularly to the comptroller general. Moreover, the government placed its own duly-authorized people on the organization's board of directors and in its executive bodies.

Billions of Dollars

Finally, it should be noted that through the National Islamic Front, this organization manages 145 organizations in the Sudan, on which the front boasts of having spent 150 million Sudanese pounds. Available information confirms that more than US\$2 billion has entered the Sudan via this organization, without anyone knowing how it was spent. So far, it is certain that the majority of the al-Turabi front's financial assets depend on this money. This explains the confusion which hit the front when it was confronted with this crack-down, a confusion even grater than that it underwent when investigation committees announced recently that wrongdoings calling for legal inquiry were taking place in front-controlled banks. This undoubtedly also explains the news published by a major Sudanese newspaper, when the organization's battle was expanding, to the effect that several companies and organizations had begun smuggling hundreds of millions of dollars out of the Sudan.

So, between the report on the banks and the seizing of control over the Islamic Da'wah organization comes the smuggling development, which awaits an explanation from the al-Sadiq government.

8559

CSO: 4504/372

SUDAN

FORMER MINISTER DISCUSSES TRANSITIONAL PERIOD ISSUES

London AL-DUSTUR in Arabic 7 Jul 86 pp 16-18

[Interview with Transitional Government Minister of Public Works and Housing Dr Amin Makki Madani, by Jamal Isma'il: "Thus the Minority Triumphed Over the Majority"; place and date not specified]

[Text] What happened in the Sudan during the transitional period to a large extent determined the features of the current phase. This interview with a member of the previous transitional government, which AL-DUSTUR began in its last issue and concludes in this issue, does not intend to dig up the past so as to make accusations, but attempts to investigate the secrets of that period and to answer questions surrounding it.

During the first part of the interview, which was held in London, Dr Amin Makki Madani, minister of public works and housing in the government of Dr al-Jazuli Daf'allah, answered many questions from AL-DUSTUR about the transitional period, perhaps the most important of which pertained to the September laws, the abolition of which was opposed by "some of our brothers in the transitional cabinet and military council." Today we will conclude our interview with Dr Madani, starting with a question about Dr Madani's selection as minister of public works and housing, which was opposed by some of the professors at Khartoum University, where he is a faculty member.

I suggested to Dr Madani that this opposition was because he, Dr Madani, represents the Western trend, or Western interests, in Khartoum. He interrupted me to say, "This is true--the fact of the matter is that I was not present at the deliberations over choosing transitional government members. It was said, and I was so informed, that I, as a lawyer and partner in the Tijani al-Karb Law Offices, represented Western companies, some of which were American, including Chevron, which was prospecting for oil in the Sudan. The fact is, I never wanted to be minister; I felt there were others better qualified for this position. In any case, such remarks about those

embarking on public service are only natural. There are always conflicting interests and trends with diverse goals and principles, and accusations always abound. Whatever was said about my selection as minister later became mere memories to recall and laugh over."

[Question] As for Chevron, whose interests you represented as a lawyer, what do you think about what it is doing in the Sudan?

[Answer] Chevron came to the Sudan between 1974 and 1975 on the basis of a joint venture production agreement with the Sudanese government. The minister of energy signed this agreement on behalf of the Sudanese government at the company's headquarters in California. Chevron prospected for oil near the Red Sea without success, and in the western part of the Sudan, also without success, but it was successful in other areas such as southern Kordofan, the northern part of Upper Nile Province, and some southern areas. We began making preparations to build a pipeline to carry the oil from the south to Port Sudan, and prepared a study for that project, the cost of which was estimated at US\$ 1 billion. The transfer of funds was arranged by the World Bank's International Finance Authority, Chevron, the Arab Petroleum Projects Finance Organization based in al-Khobar, Saudi Arabia, and the Sudanese government. Project completion was scheduled for the end of this year, 1986. However, incidents in the South and the Garang Movement stopped all development projects in the South, including the oil pipeline, and thus prospecting was halted, for reasons outside Chevron's control, in the only area which held out hopes for large amounts of oil.

[Question] The consensus is that the joint venture agreement between Chevron and the Sudanese government was unfair to the Sudan.

[Answer] The transitional government's energy minister said that he has examined the agreement and feels that it is unfair to the Sudanese government. The present energy minister in al-Sadiq al-Mahdi's government met with Chevron officials, but I don't know the results of that meeting. I would like to say that Chevron is an American company belonging to Standard Oil of California, and would naturally try to achieve whatever would be in its interest as a commercial company. However, I believe that the "subject is open." The Sudan is a sovereign state, and if legal experts find faults in the agreement, then the Sudan is entitled to ask that it be changed. I also believe that Chevron has its own interests, and would agree to amend the agreement in order to retain its interests and its future in the Sudan.

[Question] What is the real story about the written agreement which 'Uthman Abu-al-Qasim, one of the May ministers, obtained from you about forming a party or holding a conference to announce a party which would include May remnants? This occurred when you were working as information minister in addition to your other work in Dr al-Jazuli's government.

[Answer] The facts are as follows. I never wrote any such thing, I never signed anything, and I never gave any such instructions to anyone. However, I have known 'Uthman Abu-al-Qasim personally for a long time, and one day

I was surprised to find him in my office asking to see me. I received him, and he began talking with me. Then he said, "My brother, we are Sudanese citizens. We belong to the independence generation, the October generation, the May generation, and the April generation, and thus we have full, unabridged rights in the Sudan. Either we stay in our prison, or we exercise these rights fully." He then added, "We are thinking of forming a political party. I came to you because I know that you are now functioning as information minister. We intend to call a conference to announce the formation of a political party, and I would like to know your opinion so that I can be sure that there won't be any problem if we hold this conference."

'Uthman Abu-al-Qasim did not tell me the name of the party or anything about its platform, nor whether the party would come and talk about May victories and achievements or whether April would be the continuation of May. We talked only in generalities--that a Sudanese citizen, as long as he is not accused of anything, has the right to freedom of movement, writing, and organization. In this sense, I told him that this is a constitutional right, and said, "I see absolutely nothing which might stand in your way." 'Uthman left and did not return, and I later heard about the conference and what happened after that.

The Attorney General

[Question] What were the reasons behind the disagreement over the selection of an attorney general for the Sudan?

[Answer] When the union and partisan sections of the National Grouping began their deliberations over choosing the members and the president of the transitional government and the attorney general, the union section made some nominations. As I recall, Mirghani al-Nasri was nominated for the post of prime minister, and was thus eliminated from nominations for attorney general. The nominations were limited to several supporters of the union council, and the initial choices were Union Secretary Mustafa 'Abd-al-Qadir and Hasan Shabu. There were objections to Mustafa 'Abd-al-Qadir, since some people felt that he was more leftist than necessary. Similarly, others felt that Hasan Shabu was overly rightist. The dispute continued until the government was formed without an attorney general being selected. At the time, there was talk of nominating several persons, but no consensus was reached, since each candidate met with objections from some parties and acceptance from others.

The disputes continued. The position had been offered to 'Umar 'Abd-al-'Ati who refused it. People began talking about 'Umar 'Abd-al-'Ati again, since, as union deputy and delegate to the union grouping, he was handling the job during al-Mirghani al-Nasri's arrest. 'Abd-al-'Ati changed his mind and accepted the position of attorney general.

[Question] But didn't 'Umar 'Abd-al-'Ati's position as lawyer with the Arkol-Talib Company affect his nomination for this important position, especially since that company has a monopoly over shipping relief supplies? There has been a lot of talk about the circumstances under which it was formed and the contacts between its officials and former government figures, particularly Numayri.

[Answer] This matter was brought up, and 'Abd-al-'Ati declared before the cabinet that he would keep his hands off, and would not oppose any investigation into any wrongdoings by the company. A ministerial committee was formed to investigate the Arkol-Talib story.

Before moving on to transitional period issues, i.e. the new forces issue and who it was who benefitted from their elimination from the general elections which brought in the current government, I asked Dr Madani about foreign policy issues during the transitional period, in particular the circumstances under which diplomatic relations were resumed with Iran.

In reply to a question about Sudan's signing the military protocol with Libya, Dr Madani mentioned that Defense Minister Maj Gen 'Uthman 'Abdallah signed this protocol in Tripoli, and "enlightened" the cabinet on his return. In other words, the cabinet didn't find out about this protocol until after it was signed. Dr Madani also mentioned that the military council members would go on visits and trips outside the Sudan without informing the cabinet of the nature of these trips.

Dr Madani says that the military council ran the government, including foreign policy, for 20 days after the government was formed.

After the government was formed, the "military council people" felt that since foreign policy was one of the state's sovereign acts, the foreign ministry ought to be subordinate to the military council. There was some controversy between the military council and the government over this matter, the military council insisting on its point of view. The controversy became obvious during the formation of the delegation which was to participate in the emergency Casablanca summit, at which time a compromise was reached whereby both the president of the military council and the prime minister would take part in that summit. The situation remained thus until the transition period ended.

"The military council continued to feel that foreign policy was part of its job and not the government's, and that the foreign minister was subordinate to it. Thus we would hear of General So-and-So travelling to Egypt, and General So-and-So going to Saudi Arabia. We in the cabinet would hear of these trips only through the press and the radio," said Madani.

Thus Dr Madani tacitly answered the question about the resumption of relations with Iran. He also referred to what he described as shortcomings in Sudanese foreign policy during the transitional period, when the principle of positive neutrality and non-alignment, which the charter of the transitional period had sought to affirm and promote, was not implemented.

The abolition of the September laws was not the only mass demand not achieved during the transitional period. Dr Madani said that Dr al-Jazuli and some members of the military council and the cabinet felt that the abolition of the September laws was not one of the demands or slogans of the uprising. The new forces, and their disqualification from being represented in the general elections, continues to be one of those issues which need explaining.

Referring to this issue, Dr Madani said that the matter of the new forces' representation will continue to be one of the "shortcomings" of the transitional government, because these forces were really the ones which changed the Numayri regime in April. Furthermore, because of their make-up and their stands, they will continue to be a safety valve for any encroachment on democracy.

Even though representation of the new forces in the constituent assembly, the Parliament, was one of the fundamental articles of the transitional period charter, these forces were treated "like fire-fighters, who are told thank you and good-bye after they finish putting out the fire."

[Question] We would like to know who in particular said "thank-you and good-bye" to the new forces.

[Answer] "The National Front," Dr Turabi's group, had opposed the new forces' representation, and had also opposed the graduates' circles [dawa'ir al-kharijiyin], which had become an outlet for the real demand, the representation of the new forces. They, by which I mean al-Turabi's group, wanted to apply the one-man one-vote principle, and said that the graduates' circles and the new forces were discriminatory--even though the Muslim Brotherhood, the biggest political group, made use of the graduates' circles, and now has deputies in 21 out of 28 graduates' circles.

[Question] What was the opinion within the cabinet and the military council?

[Answer] There was much talk within both bodies. They said, "By God, we don't know who these new forces are." When I was a reporter for the election committee, we met with all the representatives of parties and unions. Public opinion was in favor of representation for the new forces, and frankly held that they were rallying around the banner of the production and professional federations and unions (farmers, workers, doctors, and engineers), and did not belong to political parties. Thus defined, the new forces do not conflict with the existence of political parties or negate their role, but play a part no less important than that of the parties. Even though the cabinet and the military council agreed in principle on the need for representation of the new forces, and even though their definition did not pose a problem, they were unfortunately disqualified on the technical grounds that no agreement had been reached on the percentage or method of representation. I said as much while I was in the transitional government, and I was censured. I was told, "How can you be in the government without following the majority opinion in both councils?"

[Question] It is as if you are saying that the opinion of the majority in the military council and the cabinet, which prevailed over public opinion calling for representation of the new forces according to the political situation and the transitional period charter, actually resembled the opposition viewpoint on representation of the new forces--that is, it resembled, as seems clear from what you have said, the viewpoint of the al-Turabi front!

[Answer] The fact is, some members of both bodies had earlier become convinced that the new forces should not be represented, in spite of the time and effort which had been expended in drawing up the election law. I don't want to name any names, but when I mentioned this to the Sudanese press, some newspapers made reference to the military council. However, I am convinced that preconceptions existed within both councils which led to the defeat of the idea of representation for the new forces and which also led to the election law's taking the form it did--substituting the graduates' circles in place of representation for the new forces. The same thing held for the "expatriates;" the method by which they vote was also one of the law's loopholes, because giving the expatriates the freedom to choose whatever regions they wanted, instead of the ones they belonged in, created a defect in the law, since the expatriate was not required to vote in his own region. Consequently, the organized groups were able to look over the Sudan and choose to vote in the interest of a specific region, according to its internal circumstances. Therefore, the way the graduates were represented, and the expatriates' freedom to choose whatever regions they wanted, was the complete opposite of the principle of representing the new forces. This was one of the fundamental fiascos of the transitional period.

[Question] The defeat of the principle of new forces' representation, a principle which was initially passed in the face of opposition opinion, means that the minority view triumphed over the majority view. The issue needs more explaining.

[Answer] This majority was a political majority, and included the union grouping and the Ummah, Federal, Ba'th and Communist Parties. That is, they were outside the cabinet and the military council. Practically speaking, the issue was confined to these two bodies. In the end, those outside the cabinet and the military council who were against representation for the new forces were able to influence the debate in the joint sessions, and were also able to win over those within the two councils who were staying neutral. They caused the decision which was made to be non-representative of the real on-the-scene political views. Once representation for the new forces was rejected, another issue was brought up in the joint session--that the expatriate circles be made political use of in various ways. However, this issue was not resolved, since time was running out. It was said at the time, "We finished the election law with the graduates' circles, and we don't want to go over it a second time." However, the real problem lay with the graduates' circles, which were a substitute for the new forces or else an easy way out of the dilemma, even though the circumstances under which the graduate circle experiment had been applied in the past, during the 1964 elections, for example, had changed. The new political conditions demanded that this be taken into account. In another sense, however, I believe that "some parties" had brought up the new forces idea from a tactical political point of view, while their organizational or ideological convictions did not go along with representation for the new forces. It may be that the very existence of the new forces, with their ability to move and their weight, was incompatible with the circumstances of some parties, which had been absent from the scene and from intellectual pursuits throughout Numayri's rule.

National Unity

The matter of the South, the war going on there, and the transitional government's stand on this problem which threatens Sudanese national unity took up an important part of the interview with Dr Madani, who said that the transitional government bears most of the responsibility for the fact that no agreement has been reached with Col John Garang for restoring stability to the South.

Dr Madani says that the initiative must come from Khartoum, and that in his opinion the lack of an agreement is due to several reasons.

First, the "Khartoum people" felt that they were the ones who changed the regime. The enthusiasm of victory has lessened the Khartoum political leaders' realization of the part played by the South's efficient armed opposition. This has created a natural bitterness among the popular movement, because once the former regime was overthrown, the "Khartoum people" busied themselves with forming military councils and governments, leaving the armed opposition in the South out of the process, and thus creating this alienation.

Second, the formation of the military council, the creation of a legislative authority and an executive authority even before the government was formed, the departure of military delegations on foreign missions, particularly to Libya and Ethiopia, instead of attending directly to Col John Garang's speech, all gave the popular movement the impression that the new government was a government of generals.

Third, the fact that the military council was formed as a military authority, and the very fact of the army's presence in the South, had the psychological effect of creating sentiments in favor of continuing the war, especially since Garang felt that the new situation was an extension of the old one, and that insufficient weight was being given to the popular dimension, which was sympathetic to him.

Fourth, the fact that the September laws were not abolished, even though they were supposed to be, particularly since they had been passed on republican orders without any popular participation, was one of the main reasons why no agreement was reached with Garang. However, the politicization of the issue, and its transformation into slogans such as "no alteration of God's law" as well as into political battles, helped complicate the Southern problem.

Fifth, the poor contacts between the government and the Garang movement, and the use of intermediaries to deliver Dr al-Jazuli's letter, also hindered the reaching of any agreement.

[Question] What about the partial elections held in the South?

[Answer] The situation was as follows: either hold elections or extend the transitional period. The general opinion was that the transitional period

was, with the help of the armed forces, a period of instability. Whatever the national role of the armed forces, and however proud we might be of that role, it was safer to terminate the transitional period and establish 100-percent democratic rule than to brook any delay. As for the South, even though the voter turnout in those districts where elections were held was very small, it is still possible, if the constitutional conference meets and an accord is reached, to hold elections in the South. I admit that many forces did not take part in those elections which were held in those districts where security conditions permitted.

[Question] Our last question is about the Public Works and Housing Ministry. How is it dealing with the housing crisis in general and the shantytown problem in particular?

[Answer] Even though the ministry I am responsible for is called the Ministry of Public Works and Housing, and Numayri "made" a separate ministry in 1969 or 1970 called the Housing Ministry, we in the Sudan use this term figuratively. The fact of the matter is that we have no housing projects and no housing plan. The only thing we have is a land distribution policy. This was the situation when I took over the Housing Ministry in the transitional government. Because of the importance of this issue, we endorsed, for the first time, the 1986 land distribution law. We revived the 1986 planning law and the housing development planning law, whereby a national-level committee worked solely at determining which land would be for housing and which for industry, agriculture and so forth. Afterwards, a housing conference was held in Khartoum, during which several recommendations were issued, the most important calling for the formation of a national housing council. A committee was formed, headed by professor al-'Ajib, to draft a bill for this council, which would regulate housing and the financing of housing plans. We also suspended land distribution. The finance minister spoke to us about making the real estate bank subordinate to the proposed housing bank. There is also another obstacle to the housing plan which we hope to overcome: Khartoum's growing population has led to a move towards the suburbs, which do not have public utilities, water or electricity. Another problem is a relic from the past era--some people's land was arbitrarily taken away from them by the government, and they never received proper compensation.

As for the shantytowns, they resulted from the exodus from the provinces and the countryside because of past neglect of these areas, and later because of desert encroachment and drought. The Numayri government dealt with this problem in an inhuman manner, by removing the population. We were against this removal, even though 70 percent of the problem was due to middlemen operations, seizures, and trade carried out by a parasitic group which was exploiting the crisis, and even though there were other problems related to the fact that large areas of the shantytowns were dens of crime and corruption. However, the human factor, which represents 30 percent of the problem, brought us to the necessity of conducting a social census to determine the truly deserving.

Another factor which made the crisis more complicated and caused increased discussion was the fact that many regular armed forces personnel--army, police and firefighters-- were living in shantytowns. Any civilian going into these areas to conduct a social survey would find it very difficult to deal with these persons.

The final factor was that some parties were exploiting the shantytowns and the carton housing crisis for partisan, election and propaganda purposes.

In any case, we participated in a conference held in Nairobi to deal with these problems. During a meeting with a United Nations delegate, the international organization and its specialized organizations promised to help solve the problem. We have submitted this proposal to the new housing minister in al-Sadiq al-Mahdi's government.

8559

CSO: 4504/372

IRAQ

CHINA SEEKS INCREASED WORK IN CONSTRUCTION MARKET

London MEED in English 2 Aug 86 p 11

[Article by Jonathan Crusoe]

[Text]

INTERNATIONAL contractors no longer view the Iraqi construction market with the enthusiasm they did at the beginning of the 1980s. Interminable payments delays, the lack of export insurance and credit and the risk of working in a country that has been at war for five years have brought hardship for companies. Many of them are now eager to leave after completing outstanding work.

But one company in particular — China State Construction Engineering Corporation (CSCEC) — sees these difficulties as temporary and is seeking to increase its workload.

CSCEC is now negotiating for five projects worth about \$450 million — excluding joint-venture costs — covering dams, high-voltage power cables, a pumping station, an engineering project and a housing scheme. Talks are also under way for eight or nine subcontracts.

"We feel, generally speaking, that Iraq is a good market, despite some economic difficulties and very strict contractual regulations," says CSCEC's deputy general manager in Baghdad Cao Chang Zhi.

CSCEC's first order as a main contractor in Iraq was a pipeline installed at Baghdad international airport between 1981-82 — "very small, but a beginning," Cao says.

Increasing workload

Since then, CSCEC has completed \$300 million worth of work, as a main and sub-contractor. It is now working on 13 projects — for roads, dams, houses, power cables and sewers — worth a further \$500 million.

CSCEC has taken large and small projects throughout the Middle East with what

many contractors consider to be extremely low pricing. In Iraq, its competitiveness has been based on the relatively low cost of Chinese labour and government-supported funding. The credit available to Chinese firms in Iraq is medium-term, to be repaid in stages over three to five years after completion of the contract.

Of its projects in hand, CSCEC is particularly proud of the Kifl-Shinafiya scheme, which it won in 1984. The \$174 million contract entails construction of four control barrages on two tributaries of the Euphrates, the Kufa and Shamiya rivers (MEED 27:7:84). CSCEC expects to complete three barrages by the end of August 1986, about two months ahead of schedule, and the final barrage in January 1987, three months early.

Cao feels that Kifl-Shinafiya has been a most important project for CSCEC's reputation as a contractor. "Three months ago, the client only believed we could concrete well; but now he has seen that we can do equipment installation too." He says the client, the Irrigation Ministry, has been pleased both with CSCEC's progress and the quality of its work.

Confidence

There have been initial delays on CSCEC's two other major projects — the \$193 million North Jazira irrigation scheme and the \$225 million New Hindiya barrage (MEED 22:3:85). But Cao is confident that these delays — caused mainly by design changes — will be made up. "Up to now all of our projects have been completed on schedule. Perhaps," he admits, "we lost

money on some contracts, but we finished on time."

Until 1984, the main business for Chinese companies in Iraq was as suppliers of labour to other international contractors. Between 1979-86, Chinese companies signed 423 labour co-operation contracts involving more than 60,000 Chinese labourers. These companies generated \$530 million worth of foreign exchange from a turnover of \$840 million, the Beijing weekly China Economic News reports.

There are now more than 20,000 Chinese working on 143 projects in Iraq.

Before 1981, CSCEC had only supplied labour to international contractors — its construction work was mainly limited to the Yemens and Jordan (MEED 4:11:83, page 40). CSCEC now employs about 4,500 staff in Iraq and considers that it is the largest contractor amongst the 12 major Chinese companies based in Baghdad.

Proving ground

Iraq has been the proving ground that has enabled CSCEC to bid with confidence for projects elsewhere — from Turkey to the US. Cao says that when CSCEC first started to work in the Middle East, many other contractors were unaware that it had 30 years' experience of major project work in China behind it.

He believes that CSCEC's success in Iraq has persuaded several companies — including West Germany's Philipp Holzmann, France's Bouygues, Saipem and Snamprogetti, both of Italy, and major Japanese trading houses — that CSCEC is a suitable partner, either in joint venture, consortium or as a subcontractor. "Before 1982, we just had the image of a subcontractor; after 1983/84 they sometimes became our subcontractors," Cao says.

CSCEC now has business co-operation agreements with up to 30 companies — as contractors, suppliers or consultants. Subcontractors working on the New Hindiya project include France's Sogreah, Sulzer Escher Wyss of Switzerland and Fried Krupp and Brown Boveri & Compagnie, both of West Germany. Holzmann, which has worked for CSCEC on the Kifl-Shinafiya project, is also a consortium member with CSCEC and Sweden's ASEA in bidding for the \$700 million Badush dam project.

Iraq has been a good market for CSCEC. "We intend to continue, and collect some suitable projects," Cao says. He admits that it is a difficult time for contractors in the country, but that Iraq's oil, water resources and gradual industrial development hold out hopes for optimism — "we believe Iraq has the ability to pay in the future."

/13046

CSO: 4400/246

IRAQ

IRRIGATION MINISTRY MOVES AHEAD WITH DAM SCHEMES

London MEED in English 2 Aug 86 pp 10, 14

[Text] The Qadisiva dam on the Euphrates river was opened on 28 July. The dam — formerly known as the Haditha — is a key element in the Irrigation Ministry's plans to regulate river waters for irrigation, flood control and energy production (Iraq MEED Special Report, October 1985, page 18).

Main contractor for the dam was the Soviet Union's **Technopromexport**. It started work in December 1976, according to the terms of an economic co-operation protocol signed 12 months earlier. The dam is 350 metres wide and 54 metres high; it can impound up to 10 000 million cubic metres of water. The reservoir, which covers more than 400 square kilometres, will also be used for fish farming and tourism.

The associated 600-MW power station is being built by Yugoslavian companies led by **Hidrogradnja**; the \$570 million contract was awarded in 1981. Supervision is by Norway's **Norconsult**. Two of the six turbines have been commissioned and will be operational by the end of 1986; the rest will start up next year (MEED 31.5.86).

A further two dam projects, both in the north, are for completion by the end of 1986. The larger is the \$1,500 million Saddam (formerly Mosul) dam, built on the river Tigris by the West German-Italian **GIMOD JV** consortium. Dubai-based **Engineering Services International** was main contractor for the second scheme: the \$100 million Dohuk dam and irrigation project. This is on the Dhumar, a tributary of the Tigris.

The ministry is understood to be keen to go ahead with the Bekme dam — a \$1,000 million-plus scheme on the Greater Zab

river for which bids were placed in mid-1985. Negotiations with a consortium of Turkey's **Enka**, **Hidrogradnja** and the US' **Bechtel** have been finalised, although the client — the **State Organisation for Dams** — is understood to have requested a price reduction. This has prompted the consortium to ask for the return of its bid bond. Talks are now at a standstill — if a contract is awarded, construction is expected to take up to eight years (MEED 8.2.86).

Another scheme being considered is the Badush dam, a 110-metre-high structure planned to span the Tigris downstream of the Saddam dam. A consortium grouping **China State Construction Engineering Corporation**, West Germany's **Philipp Holzmann** and **ASEA** of Sweden has emerged as front-runner for the contract which is valued at about \$700 million.

The ministry is also studying plans to build the Fatha dam. This is intended to regulate the Tigris, and water retained by the Dokan and Bekme dams.

On a smaller scale, the ministry has asked consultants to bid for a contract to study the establishment of a series of dams on the Rawandiz river, a tributary of the Greater Zab. The report would be based on an earlier study by Finland's **Imatran Voima**.

French consultant **Coyne & Bellier** is awaiting ministry approval before proceeding with the final design stage for two dams on the Khazir river (MEED 7.9.85). Designs for three dams in the Adnan river catchment area are being done by the UK's **Binnie & Partners** (MEED 19.4.86).

IRAQ

BRIEFS

BRAZILIANS START GEOLOGICAL WORKS--Slope Stabilisation works at Derbendikhan dam were started in July by Brazil's Geotecnica. The \$8.8 million contract was awarded in 1985 by the State Organisation for Dams (SOD). The dam spans the Diyala river, about 270 kilometres northeast of Baghdad and 65 kilometres southeast of Sulaimaniya. Stabilisation work will be carried out on both banks in the next 18 months. It covers rockfall treatment, soil excavation, building concrete buttress walls and a road-retaining structure, drilling and installing drains, and placing gabions. Geotecnica expects to get a letter of intent for a contract to provide geological services at other dam sites later in 1986. The SOD order was valued at about \$14.5 million in 1985 (MEED 19:10:86). Another Brazilian company, Mendes Junior International, has appointed Geotecnica as subcontractor responsible for slope stabilisation works under bridge 25 on the railway line between Baghdad and the Syrian border. Client is the Baghdad-Al-Qaim-Akashat Railway Project Organisation. Other work carried out by Geotecnica between 1982-84 includes two contracts for geotechnical investigations for the Haditha bridge and for tunnels under the Tigris river on behalf of the State Organisation for Roads & Bridges. [Text] [London MEED in English 2 Aug 86 p 14] /13046

CSO: 4400/246

KUWAIT

HEALTH MINISTRY ABANDONS REDUNDANCY PLAN

Kuwait ARAB TIMES in English 19 Jul 86 p 4

[Text]

KUWAIT'S Health Ministry has abandoned plans to make more than 1,000 expatriate workers, including 142 doctors, redundant. Al Rai Al Aam newspaper has reported.

It said that a committee set up by the Health Minister, Dr. Abdul Rahman Al Awadi, this month was to have announced the names of 2,000 "unproductive" workers, of whom half, including 142 doctors nearing retirement, would be made redundant, the paper said.

But it said the plan had now been abandoned.

Al Rai Al Aam also said that the ministry was now paying special incentive allowances to 200 employees who had served more than 25 years, but not to other workers who had served a similar period.

And sources told the newspaper that within the next few days promotions would be announced for a large number of ministry employees. The sources said that 1,200 "selective" promotions were made in March but never announced.

/13104

CSO: 4404/423

KUWAIT

DEPENDENCE ON EXPATRIATES TO BE MINIMIZED

Kuwait ARAB TIMES in English 19 Jul 86 p 4

[Text]

THE Kuwait government has decided to minimise the country's dependence on expatriate workers and gradually replace them with nationals in order to activate the economic situation and eliminate all obstacles according to an article in the magazine published by the National Industries Company (NIC).

It pointed out there was a lack of skilled and unskilled labour, especially in the industrial sector, and the problem had given rise to other related problems at the political, cultural and social levels.

Policy

The government was therefore taking steps to develop nationals and train them in various fields under its five-year plan. It said there was a country-wide campaign to persuade secondary school graduates to join institutes run by the Applied Education and Training Authority and to instil an appreciation of technical work among students generally.

The authority was playing its part in the five-year plan and had drawn up a special policy for training nationals to take over the positions filled by expatriates.

The authority intends to offer places for 4,500 boys and girls at the start of the 1986/87 academic year, and this will exceed the number enrolled by Kuwait University by 25 percent, the article said.

KUWAIT

SOCIAL SECURITY FOR EXPATRIATES PLANNED

Kuwait ARAB TIMES in English 15 Jul 86 p 1

[Article by Assad Al Samman]

[Text] THE director-general of Kuwait's Social Security Institute, Fahd Al Rajaan, said yesterday that the institute's five-year plan included the provision of social security for non-Kuwaitis. He said that this would supersede the current gratuity system.

He said that if the social security system was applied to non-Kuwaitis they would be entitled to rights similar to those offered to Kuwaitis.

Private

He told the Arab Times that the social security system in Kuwait was excellent, and the pension for civilians was about 95 percent of the basic pay while that of military staff was 100 percent.

He said there were plans to apply the system to Kuwaitis in the private sector, with the employee contributing 10 percent and the employer giving five percent.

He said the institute was studying the possibility of applying the system to Kuwaitis working overseas and to GCC citizens.

Attention

Asked if the institute would

give loans to pensioners, Al Rajaan said this was not allowed under the institute's charter, but there was an alternative system by which pensioners could get an amount in cash.

He said that pensioners living overseas would have their pensions remitted to their accounts in local banks.

He said that the institute had about KD 750 million in funds, and about 60 percent was invested in Kuwait. He added that some of the invested funds were managed by the institute itself, and some by national and international corporations. He said institute funds overseas could be withdrawn easily at any time because the institute dealt with reputable firms.

Al Rajaan said the institute paid special attention to training Kuwaitis and had arranged theoretical and practical training courses, with particular emphasis on computers.

He said that studies had been made of social security systems in other countries, especially in Scandinavia and the best were taken for application in the institute.

He said the institute cooperated with other establishments, particularly the Planning Ministry and the Commerce and Industry Ministry.

/13104

CSO: 4404/423

KUWAIT

STUDY SHOWS EXPATRIATES CONTRIBUTE TO SOCIAL DISPARITY

Kuwait ARAB TIMES in English 23 Jul 86 p 1

[Text] A STUDY submitted to the Economic Committee of West Asia shows that most expatriates, particularly Asians, are living as bachelors in the GCC states, according to Al Rai Al Aam newspaper.

Because of the bachelor status of expatriates an imbalance in the population has been created. Two disparate communities exist with expatriates living in isolation from the native population.

While the studies shows that Arab expatriates adapt more readily to life in the Gulf, expatriates mainly mix with others of their own nationality or with those from neighbouring states who share a common language, customs and religion.

Reason

The expatriates may want to have their families join them but they are discouraged from doing so by the host countries which do not want to see them settling on a permanent basis.

The relationship between expatriates and the local population is based purely on material considerations. It is for this reason that Gulf citizens consider foreign workers as being of a lower social class.

And this class distinction is reflected in the wage levels of expatriates which are lower than for citizens. As an example, wages for Asian drivers and domestic servants in Bahrain are between BD 15 and BD25 a month.

The influx of foreigners into the Gulf comes from three sources: the government sector, the private sector and illegal immigration.

Illegal entry is prevalent mainly among Asians, indeed 10 percent of Indians, Pakistanis and Iranian workers come to this area illegally and are employed illegally.

There has long been a problem with illegal immigration by Iranians, who come to the Gulf for both economic and political reasons.

Some labour agencies perpetuate the problem of illegal immigration bringing workers to the Gulf claiming that they are required, when in fact the agencies are taking money from these workers.

Only two thirds of the expatriate workers in the Gulf are actually part of workforce with Iranians and Pakistanis having the highest percentage of unemployed expatriates in their number.

Foreigners in most of the GCC states have become involved in the ownership of large and medium-sized companies. For example, out of a total of 16,997 companies in the UAE, 9,688 were owned by Asians in their year of foundation.

In general, most foreign workers in the Gulf states are illiterate and have no technical or professional skills. This has imposed economic and social burdens on the host countries.

In May 1982, the secretary general of Kuwait's Council of Ministers, Abdul Aziz Al-Utaibi, said that Planning Ministry studies showed there were large numbers of foreign workers in the country who were not required and many of them were living in the country illegally.

KUWAIT

BRIEFS

WORK PERMITS--The labour department in Kuwait's Hawalli governorate last month completed 3,496 separate work permit transactions. The director of the department, Nami Sief, said that 532 workers were granted permission to enter the country, 296 work permits were issued, 1,485 permits were renewed, 604 permits were cancelled or transferred, 182 permits were cancelled so the workers could leave the country, 57 permits were granted to businessmen, 13 were granted for craftsmen and 357 for special cases. He said the department received 210 complaints from labourers against their employers. The department also inspected 826 commercial premises of which 236 were found to be committing violations. [Text] [Kuwait ARAB TIMES in English 17-18 Jul 86 p 3] /13104

EDUCATION MINISTRY HALTS REDUNDANCY--The acting Undersecretary of Kuwait's Education Ministry, Rashid Al Hamad has said the ministry had now closed the file on redundancies and no more dismissals were planned. However, those who had already been given notice would not be taken back by the ministry, he said. [Text] [Kuwait ARAB TIMES in English 22 Jul 86 p 3] /13104

ECONOMIC DISCUSSIONS WITH JORDAN--A Kuwaiti economic delegation, headed by the Finance Assistant undersecretary, Mustafah Al Shamali, arrived in Jordan today on a two-day visit to discuss bilateral economic and trade cooperation between the two countries. The Kuwaiti delegation's visit follows the recent visit by Kuwait's Finance Minister, Jassem Al Khorafi, to Jordan and his meeting with officials in the Jordanian Finance and Commerce Ministry, during which they agreed to set up an economic committee to discuss all joint economic issues. [Text] [Kuwait ARAB TIMES in English 22 Jul 86 p 11] /13104

CSO: 4404/423

LEBANON

HEAD OF PRO-NASIRIST GROUP DISCUSSES PEACE TERMS

Beirut AL-ANWAR in Arabic 23 Jun 86 pp 4, 11

[Interview with Ibrahim Qulaylat, Head of Al-Murabitun: "Qulaylat to AL-ANWAR: We Are Prepared To Attend Any Meeting Concerned with Rectifying the Existing Situation"]

[Text] In a telephone conversation with AL-ANWAR from Paris, Mr Ibrahim Qulaylat said that he is determined to return to Beirut, via the al-Imam al-Awza'i coast or over the al-Ghadir territory at Beirut airport.

Qulaylat considered the new security plan for Beirut like those which preceded it just a temporary truce following each round since the Israeli invasion -- aimed at giving the forces dominating Beirut a clean bill.

Qulaylat stressed that any security plan, if it does not proceed from the hypothesis of accepting the issue of correcting everything that was falsified and brought to the fore in the past, [words missing], but he said during the interview that the al-Murabitun are prepared to be the scapegoat for any plan which puts an end to the assumptions about what the stage of the invasion of Beirut brought to the fore, as an approach toward the unity of Lebanon, with its Moslem and Christian wings.

Qulaylat presented unclear possibilities, which are capable of interpretation and reconciliation in the positive sense, by which he would be enabled to attend a meeting in Damascus that would include Ministers Birri and Jumblatt, stating that the response to an invitation to attend such a summit would be governed by the higher national and Islamic interest. But, Qulaylat went on, "The important thing is not whether the summit is a higher or mid-level one but for what sake and why we will hold a debate with the people who have benefitted from the circumstances of the nation's ordeal and Beirut's ordeal; we are prepared to deal with any formula or summit, on any terrain, if the goal behind it is specified with absolute clarity, in order to correct all the emphasis on sectarian, factional or group considerations that has occurred in actual conditions." However, he went on to state that the plans declared did not show that there was an intention to correct the existing situation and that the dominant forces were authorized to sit down with the forces that had fought the Israeli enemy.

This is the transcript of the telephone conversation:

[Question] Will you review your decision concerning the operations the al-Murabitun forces carry out in Beirut in the event the latest security plan measures are carried out?

[Answer] At the time there are no reasons before us for reviewing the decree we declared concerning the tasks of the al-Murabitun forces in west Beirut following the recent Damascus security plan. As for the concomitant circumstances of the exceptional decree on the emergency tasks the al-Murabitun units are carrying out in west Beirut, that is founded on executive plans which are not fixed or complicated, and it consequently is concentrated on principles which can be adjusted and can deal and interact with all circumstances, negative or positive. This exceptional decree on whose basis the al-Murabitun forces active in west Beirut are carrying out their tasks constitutes a framework for an exceptional formula governed by the political decree for coping with the events in west Beirut. Among the bases of this formulation are:

First: the decree concerning the tasks and the confrontation of and resistance to what Beirut and our people are exposed to are continuing against a background of duties which is not complicated. These basically arose for the sake of defending territory, dignity and history and realizing whatever will serve the stability and security of west Beirut and its inhabitants in political and social terms and terms of living.

Second, proceeding from this, what will give the officials of the units which have been assigned on the ground a sanction in the field for the goals, the execution, the time and place of execution and the method of declaring responsibility for the operations carried out, from which what I have concluded concerning the absence of any connection with a security plan reflecting on the execution of our decree that has been carried out is clear.

Seriousness Regarding Execution of the Security Plan

[Question] Do you anticipate that there is seriousness regarding the execution of this plan which was approved in Damascus?

[Answer] The prolongation of the ordeal to which we are being exposed, especially in west Beirut, and the new, newly-created and imminent plans prompt us to be totally wary of everything that is being bruited about concerning security plans, whatever "serious intentions" they might entail. However, I must pause to state that this new plan which is imminent, with all the attention that has accompanied it, so that it will be cloaked in "exceptional attention," comes in reality on the basis of the security plans which preceded it, and these security plans now, in our understanding, constitute:

1. A temporary carefully studied truce after each round since the Israeli raid or invasion of 1982, so that what has been nibbled away in the context of west Beirut or the Palestinian cause and the camps will proceed to be digested.
2. The security plans after each round proceeded to constitute a requisite scheme for giving the executing forces in the form of the racist, fascist

and sectarian Tatars a clean bill. Therefore for this reason the nationalist and Islamic forces and the Arab, Islamic and foreign countries concerned must be attentive to the current course of this more dangerous scheme which has been placed in the framework of the programming of the rounds of nibbling and the security plans which constitute requisite truces for digesting what the forces of the fascist religious and racist Tatars have nibbled at and for arranging to impose the fact of their dominance and development of their forces for coming rounds which have been drawn up in advance.

The Solutions Are Not Being Based on Assumptions

[Question] Assuming that a positive execution of the security plan is carried out, how will you deal with this matter?

[Answer] In confronting the issues of principle and strategy which the peoples are being exposed to, the solutions are not being based on assumptions. It is through mere doubt and supposition that the infeasibility of any project or solution is affirmed. Therefore, from this assumed state of affairs, I can spell out some features of the positive situation which is reflected on us.

1. Any plan which does not proceed from the premise of accepting the business of correcting everything that has been falsified and brought to the fore in the context of the occupation and its turning points, especially west Beirut, will resemble the ones which preceded it. In these circumstances, we are faced with a process which will show and reveal plans to nibble away and digest as the results of every round.

2. It is assumed, with respect to every plan, that it proceed from the base of practical and executive action in order to correct everything that has been imposed on west Beirut and its inhabitants and the existing state of affairs regarding the process of the surrounding and encirclement of our Palestinian people's camps. Therefore, we will not under any circumstances accept the dictum of terrorizing people's morale, which holds that we must surrender to the logic of hurrying and rushing after every security plan, even if it is based on the ruins of dignity, history and the land and the features of the manipulation of the future. The outcome of this race will reflect our decision that the security and stability of Beirut and our people are our duty and our decision, but not on the ruins of the dignity of the land and the nobility of honor and sanctity of history, the heritage and the future.

He went on, "Finally, let me declare total commitment to our being prepared, as a movement and forces of Murabitun, to constitute the scapegoat for any plan which will restore the elements and reality of actual conditions, will put an end to the assumptions of what has been brought to the fore by the stage of the Israeli occupation and invasion of Beirut and will correct the process of falsification which has been carried out against all values of history and heritage, as an entree to the unity of Lebanon in its Christian and Moslem wings and to the unity of the Moslems, which has been burdened by the oppression of fascist, religious and racist terrorism.

[Question] On what is being raised from time to time concerning your return to Beirut or your visit to Damascus -- is that feasible now?

[Answer] What is feasible to me today as a devout, committed Murabit who is drawn by genuineness to the soil of the nation and to a life with dignity on the land of dignity is Beirut, the mistress of the capitals, which throughout this history of ours has constituted a singular presence for the value of its national, patriotic and Islamic commitments in its struggle against the Zionist enemy and is still resisting all the consequences and facts which have been brought to the fore in the invasion, siege and overrunning of it. Today nothing stands before me except the means for carrying out my decision actually to return to this good land, via the al-Imam al-Awza'i coast or the al-Ghadir land at Beirut airport. This truth will remain embodied as a daily goal, which is my return to my nation and the faculty of the Murabitun, the 'Abd-al-Nasir mosque, on the road to al-Jadidah and al-Mazra'ah.

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LEBANON

PRIVATE AIRPORT VENTURE IN CHRISTIAN AREA REVIEWED

London AL-HAWADITH in Arabic 20 Jun 86 pp 64, 65

[Article by William Dahir: "The Condition of the Halat Airport is the Same As the Airplanes on Runway Three -- Rockets!"]

[Text] Last April, the Lebanese army command sent the minister of finance, [former] President Camille Chamoun, a letter in which it informed him that it had decided to consider the Halat airport a military airport and gave permission for it to be used for round-trip travel by military personnel and their families.

In accordance with this letter, the command demanded that a customs office be established in the airport whose employees would take charge of the activities of inspecting passengers and their luggage and applying the customs statutes in effect.

The command sent a similar letter to the minister of the interior demanding that a general security office be opened in the Halat airport to supervise entry and exit activities, investigate passports and apply the law to the passengers.

In the middle of the month of May, a well known politician in the eastern section of Beirut asserted that the Halat airport would start its activities in the middle of May. That was before the airport was twice subjected to bombing and before the forces close to Syria, or Syria itself, as was said, asserted that they considered the airport a step in the direction of partition and would not allow it to survive.

In determining the facts and the actual situation, AL-HAWADITH has managed to penetrate the curtain built up around the Halat airport and has carried out the following report:

"Hello: Hello: Airport 86, Halat -- over." Have these words put an end to the tragedy of sailing to the neighboring island of Cyprus for a large number of Lebanese who are living in areas stretching from the contact lines in the capital, Beirut, and the suburbs and mountains, to Lebanon's northernmost borders in 'Akkar?

The political and military decisionmakers in the eastern areas decided to build the 1986 Halat airport after the travel burdens and the torments of people traveling by sea to the island of Cyprus had increased to 12,000 pounds per round trip, as further expenses added to the cost of the plane ticket from Cyprus to anywhere in the world, on top of the vexations of travel, which requires 3 days' effort. The leaders and citizens in the eastern area were unanimous about building the airport, and this decision met with approval in leadership, spiritual and political circles in the western area, headed by the mufti of the republic, Shaykh Hasan Khalid, and [former] Premier 'Adil 'Usayran, minister of defense and agriculture.

The Halat airport runway, which was equipped for small planes, has been expanded, and it is now equipped to receive medium-sized airplanes, although there are people who assert that large planes can land there.

"The airport is military in character and there is total coordination between the military personnel there and comrades in arms at Beirut international airport regarding military aircraft flights and training in Lebanese airspace. This airport was created by a military decision for security requirements and it has the right to receive private aviation, as is the case in all airports of the world. There is no legal barrier to prevent airplanes from landing and taking off in it."

A prominent political figure in the eastern area gave AL-HAWADITH this information and added, "The use of Halat airport for civil aviation was dictated purely by security considerations. The decision may be ascribed to the military leadership and nothing else. The control of activity in the airport will take place through the establishment of a general security center and another center for customs, the payment of duties and examination of the status of passengers, in order to make the process of coming into and going out of the country a legal one."

The person financing the project is a well known banker. The engineer supervising the construction work is Mr Nabil Karam. The company that will take charge of flight control activities there is the Jet Air company, whose board of directors is chaired by Mr Philip Tabit.

AL-HAWADITH met Eng Nabil Karam, supervisor of the construction work, at Halat airport and asked him for clarification regarding some technical considerations. He said, "The runway is 2,160 meters long and 80 meters wide, while the lane is 30 meters wide. This type of runway can accommodate Fokker-28, Boeing 737 and DC-9 airplanes and airplanes of the BAC 111 type."

He added, "From the standpoint of load, the airport is equipped to receive all types of airplane." He said, "Work on the lane has ended, and only the construction of the building and the storehouses is left. Work on that will take about a month and a half, but we could have accommodated airplanes beginning early in June." Eng Karam stated that the chairman of the board of Jet Air company, Mr Philip Tabit, is now in Europe to conclude agreements on behalf of the company, which will be in charge of flight control activities at Halat airport.

Karam asserted that Halat is a military airport and that Beirut airport has to cooperate with it to keep accidents from occurring in the air, because

there are two air routes which must be coordinated by the control tower at Beirut airport lest air collisions occur. He said that a country whose name and identity he refused to reveal would permit airplanes taking off from Halat airport to land at one of its airports.

Concerning cooperation between Middle East Air and the Halat airport, he replied, "The company has refused to have its airplanes land at this airport. It prefers losing 400 million pounds to cooperating with the new airport."

However, Mr Salim Salam, board chairman of Middle East Air, denied that negotiations had taken place with the company to run flights through Halat airport. He told AL-HAWADITH that talk about such negotiations "was not correct."

When we told him, "But the company is passing through difficult financial conditions and you can compensate for some of the losses if you put your airplanes to work in the Halat airport," he contented himself with saying "People say so."

On his position regarding Halat airport, he said "We promised ourselves from the beginning that we would not comment on the airport construction process, because this matter is related to the government, and it alone is concerned with this. When the government defines its position, we will declare our opinion."

The chairman of the Free Nationalists' Party, Mr Dani Chamoun, who is providing the political backing for Halat airport, stated that the newly constructed airport "has cost more than twice as much as the revenues it might receive. In the commercial sense it is a moneylosing project. However, in the other sense, it is a project to facilitate people's business which security circumstances have made mandatory with the sufferings of citizens in the eastern areas up to the northern borders with Syria. The two things have formed part of the risk of traveling via Beirut airport over the long years of the war, especially in recent times."

He added, "There is nothing to keep airplanes belonging to Middle East Air, the Lebanese airline, from landing at Halat airport, especially since this company is requesting loan upon loan from the Lebanese government, in view of the heavy losses it has suffered due to the shutdown of Beirut airport in specific security circumstances, the failure to provide the services required of employees at its operating site because of their failure to get to the airport, and the shutdown of the approach routes." He revealed that the company's management presented a request for a loan of 300 million Lebanese pounds to the Lebanese government this year and went on to say, "Why don't we consider Halat airport Beirut airport's third runway? Why doesn't Middle East Air use it to provide services and compensate for some of its material losses from the profits it will realize, consequently performing a wholly national deed for all Lebanese alike?"

Concerning his role in the operation of Halat airport, he told AL-HAWADITH "I am not an official in the airport's administration system. I just offer

the airport political support. I have a political view on the subject, and I have expressed it a number of times.

"Let the people who want to review commercial activities refer to the persons involved."

When we asked him about the identity of the company with which agreement had been reached to transport passengers, he confined his response to saying "As it is in the agreements." We said, "But AL-HAWADITH's information maintains that contacts have occurred with the prime minister of Bavaria, Mr Josef Strauss, to operate airplanes belonging to Bavarian Airlines Company, and it has been said that he accepted the offer then turned around and rejected it. What is your comment?" He replied, "Ask Strauss."

On the subject of contacts with an Arab airline company, his reply was, "Reassure the people who monitor telephones and tell you about what they hear over the telephone lines that the director of the company is my friend, I have discussed the matter with him, and God willing his company, British Airways, Pan American, Ethiopian Airlines, Egypt Air, and the airplanes of Iraqi Airlines will send their planes to Halat airport."

Concerning the delay in the inauguration date, which had been set at this 15 May, he said, "The delay can be attributed to work on the ground."

We told him, "It has been repeatedly said that a draft agreement has been studied with the minister of works, Mr Walid Jumblatt, who made some stipulations to facilitate the opening of the Halat airport." Mr Chamoun replied sharply "Ask Walid Jumblatt. What do I have to do with the matter?" Concerning the threats issued about bombing the airport the moment it started operating, he smiled and said "We have a plan of response."

We asked him, "We have heard that the airport is not technically equipped." He said, "Radar is not necessary for operating the airport, the control tower is there, and the airport is a military one. The Lebanese air force flies from it, it is 'operating' and 'let them come to complain and philosophize.'"

Finally we asked him, "Some people have considered the Halat airport a secessionist move and some others, foremost among them the mufti of the republic, Shaykh Hasan Khalid, have considered the matter a step which has justifications. What is your opinion?" The chairman of the Free Nationalist Party replied, "His eminence the mufti of the republic is of sound mind."

Will political and security circumstances permit activity in the Halat airport free from exposure to bombardment and destruction of its facilities? Who will guarantee that Beirut airport is not subjected to a reaction of the same type and magnitude? What then will be the result -- two airports shut down, a revival of the "era of the ports" and overcrowding in other airports at the expense of the Lebanese aviation sector, which keeps repeating, with our lady the ambassador to the stars, "No one there is who is not calling, no one?"

SAUDI ARABIA

GCC STATES URGE INCREASE IN FOREIGN INVESTMENT

Nicosia MEMO in English 26 Jun 86 pp 26-31

[First paragraph MEMO comment]

[Text] With regional recession in full swing, the need to attract foreign investment capital is becoming a vital issue. The GCC General Secretariat recently surveyed existing foreign investment legislation in each of the six GCC member-states. Bisharah Baroudi reviews the survey's findings as to the effectiveness of such legislation and reports on the Secretariat's recommendations.

The repatriation of Arab capital and the attracting of foreign capital for investment within the Arab world has once again been the subject of deliberations on a regional level. This has prompted the General Secretariat of the six-member GCC to survey existing legislation relating to foreign investments in the Arab Gulf and the extent to which such legislation provides the required impetus for a greater flow of foreign capital.

The general findings of the GCC General Secretariat were that only three of the six member-countries have already set integrated legislation governing foreign investments. The rest of these countries are dealing with foreign capital within the framework of legislation governing investments in general. Obviously, all member countries encourage foreign investments, albeit in varying degrees. Those countries that are particularly keen on attracting foreign capital, look mainly to its contributions to investment financing as well as the advanced technology and know-how that is usually associated with various forms of foreign investment.

Foreign investment in industry has better chances of meeting with a positive and encouraging treatment and would in almost all Gulf countries be granted special tax exemptions that obviously vary in duration and degree between one country and the other. They would also benefit from special exemptions from duty on imports of capital equipment, machinery and raw materials.

A proper assessment of the Gulf countries' attempts at attracting foreign capital and the extent of their success in doing so calls for a closer look at what each country has to offer in terms of: a conducive legal framework for foreign investments and effective exemptions from taxes and duties that are available to foreign investors.

The UAE

In the UAE, there is no separate legislation relating to the tax treatment of foreign capital invested in the country. Any preferential treatment of such capital, therefore, should be investigated in legislation, relating to general investments, be they by nationals or nationals jointly with foreigners.

The UAE's Law No. 1 of 1979 regulating the industrial sector specifies that authorisation to set up an industrial enterprise will only be granted to UAE nationals or to UAE-incorporated companies in which nationals own at least 51 percent of the shares. The law further stipulates that the managing director of such a company should be a UAE national, and its board of directors be comprised in its majority of UAE nationals.

These conditions, however, do not apply to industrial enterprises involved in the extraction of natural resources or those with fixed capital that does not exceed UAE Dh 250,000. Also exempted from these statutes are enterprises that use driving force of not more than 5 horsepower, franchise projects or projects that fall within the UAE's development plan and which are supervised by the federal government.

With respect to the form of the company, Article 5 of the Law stipulates that such industrial ventures can be set up in one of the following forms:

- Partnership
- Limited partnership company
- Joint venture company
- Public shareholding company
- Private shareholding company
- Limited liability company
- Limited company with shares

Article 7 of the same law, on the other hand, stipulates that a company in which the government or any public body owns part of its capital should take the form of a public joint stock company.

The requirement for a 51 percent shareholding by UAE nationals also applies to commercial establishments, according to article 22 of the same law (Law No.1 of 1979).

Law No. 1 of 1979 also sets up an advisory industrial committee that represents the Ministry of Finance and Industry, the Ministry of Economy and Commerce, the Ministry of Planning, the Ministry of Labour and Social Affairs, the Ministry of Oil and Mineral Resources, and the Ministry of Electricity and Water. It

also represents industrialists through two nominees vetted by the Chamber of Commerce and Industry and appointed to the committee by the Minister of Industry for a two year renewable term.

The main function of the advisory committee is to review applications for the establishment of commercial enterprises and requests for exemptions for these enterprises. Article 20 of the Law governing industry also specifies the incentives and exemptions that are granted to industrial ventures stipulating that the Council of Ministers and the specialised authorities in the UAE can, each within its area of specialisation, grant industrial projects special exemptions that are specified in the same Article. Such a decision would be based on the recommendations of the advisory committee.

The exemptions include:

- Exemption from custom duty on imports of: Machinery, equipment, spare parts as well as building material to be used in the industrial project in question;
- Raw materials, intermediate products and semi-processed material needed in production as well as packaging material and products used in production.
- Exemption of profits and reserves from all taxes for a period of five years renewable. The tax holiday starts effective the date of first actual production.
- Exemption of the project's exports from export taxes and duties.

Bahrain

Like the UAE, Bahrain has not yet issued a law governing the investment of foreign capital in the island state. Therefore, investment stipulations relating to foreign capital are integrated in legislation relating to investments in general.

In principle, foreign capital may not be invested in Bahrain in the form of shareholding in a jointly-owned company unless it complies with the conditions set by the commercial

companies law issued by decree no. 28 of 1975 and its amendments. Article 21 of the commercial companies law stipulates that all partners in a partnership company should be Bahraini nationals, while article 51 of the same law indicates that all jointly liable partners in a limited partnership company should be Bahraini. Moreover, the share of Bahrainis in companies that are set up after the inception of the said law should not be less than 51 percent.

Article 60, on the other hand, specifies that all shareholders in a joint stock company should be Bahraini nationals, but exceptionally allows some foreign shareholding if foreign capital or expertise is needed. If foreign shareholding is sought, prior authorisation is required under the same article from the Minister of Commerce, subject to the approval of the Council of Ministers. Another requirement is that the value of Bahraini shareholding in the said company should not be less than 51 percent of total capital.

In limited liability companies, at least one shareholder should be Bahraini and the value of his shareholding should not be less than 51 percent of the capital. No income tax is imposed on funds invested in sectors other than oil production and mineral industries.

Saudi Arabia

Foreign investments in Saudi Arabia are governed by the Foreign Investments Law issued under Royal Decree No. 4 of 22/1399 HJ (1979 AD). The first article of this law defines foreign capital money, financial and commercial paper, machinery and equipment and spare parts, raw materials and products, means of transportation, patents and trademarks and the like that are owned by a body natural who does not hold the Saudi nationality or a body corporate whose capital is held in its majority by non-Saudis.

Article 7 of the same law lists the privileges and incentives that are available in Saudi Arabia to foreign investments. They include:

- Exemption of an industrial or

agricultural project financed by foreign capital from income and company law for a period of ten years and the exemption of any other project financed by foreign capital from the same taxes for five years.

- Industrial projects enjoy the privileges defined by the law for the protection and encouragement of Saudi Arabia's national industry issued under Royal Decree No. 50 of 23/12/1381 HJ (1961 AD). These include custom duty exemptions and custom protection (they will be outlined later).

The Saudi law regulating foreign investments set a number of conditions for companies to qualify for exemptions and privileges. These included:

- Authorisation from the Ministry of Industry and Electricity. Such authorisation is granted subject to the fulfillment of the following requirements: That the investment be in development projects excluding oil and mineral resource extraction; that the investment bring in foreign technical expertise.
- Minimum Saudi shareholding of 25 percent. This percentage of Saudi shareholding must be maintained throughout the period of exemption.

With respect to industrial enterprises, article 1 of the Law for the protection and encouragement of national industry defines them as those enterprises that are set up and equipped for industrial investment for the purpose of transforming raw material to finished or semi-finished product, or the transformation of semi-finished products into finished products as well as the packaging of finished products.

Article 4 of the same law stipulates that industrial ventures will be exempt from customs duty on machinery, equipment and their spare parts which are imported for new industrial plant or for the expansion of existing plant capacity. Machinery and equipment exempted are specified by a decision of the Minister of Industry and Electricity at the recommendation of the technical bureau of the Ministry.

Oman

The Omani Foreign Trades and Investment of Foreign Capital Law, the law governing the investment of foreign capital in the sultanate, does not refer to any privileges or incentives available to foreign capital except in Article 10. The Article states that the minister of Industry and Trade can, if he so wishes, consider a project in which foreign capital is invested as a development project and thus exempts such a project from tax on income and returns for a period of five years. Such an exemption, however, does not cover taxes generally imposed on Omani trades.

The Sultan's decree no. 6 of 1977, on the other hand, has reduced income tax on joint projects in which Omanis hold a stake. Article 1 of the decree states that the income tax on such companies will be set as follows:

- 15 percent on companies in which Omanis hold 51 percent of the shares;
- 20 percent on companies in which Omanis hold between 35 and 51 percent of the shares;
- The tax rates specified above apply only to amounts of annual taxable company profits in excess of OR 20,000.

The foreign trades and investment of foreign capital law does not specify exemptions from custom duty for raw materials, machinery and spares as is the case in Saudi Arabia. But the law regulating and encouraging the industrial sector in Oman issued by the Sultan's decree no. 1 of 1979 stipulates that the Minister of Trade and Industry may, at the recommendation of the industrial development committee, fully or partly exempt an industrial enterprise from paying customs duty on the following imports:

- Machines and equipment that are needed for the industrial enterprise during the start-up or expansion phase;
- Raw materials or semi-finished products that are needed in production.

Article 1 of the same law stipulates that the Minister of Trade and Industry may partly or fully exempt an

industrial enterprise from all taxes including income tax or any other tax that might be imposed in the future. The period of exemption is five years renewable starting from the date the enterprise is licensed or it starts production.

Qatar

Law no. 3 of 1985 governs the participation of non-Qatari capital in domestic economic activity. Article 1 of this law prohibits non-Qataris, be they body natural or body corporate, from indulging in trade or import activity, holding agencies, undertaking contracting or other commercial activity.

Non-Qataris are also not allowed to work in agriculture and industry by setting up small or medium-sized projects. If the entity undertaking such activity is a company, then it must be set up in the proper form, in accordance with the commercial companies law and its capital should be wholly Qatari.

Article 2 of the same law defines a small or medium-sized project in industry or agriculture as every project that draws on locally available raw materials and energy sources and in which the supplier of the foreign equipment, franchise or license, does not require participation in the plant or project. Some examples include:

- An industrial or agricultural project in which the invested capital is less than QR 250,000 and the number of its employees is less than 10;
- Food industries, dairy and beverage industries;
- Leather industries and leather products;
- Furniture and wooden products industries;
- Paper and printing industries;
- Building blocks and cement industries;
- Light metal industries;
- Jewellery production.

Other projects may be added to this list by a decision of the Minister of Industry and Agriculture.

Article 5 of the same law stipulates that non-Qataris, be they body natural or body corporate, are allowed to

undertake agricultural or industrial activity by setting up large agricultural or industrial projects in partnership with Qataris who own at least 51 percent of the shares of such ventures. Large projects are defined by article 6 of the law as those ventures in which suppliers of machinery or the foreign owners of the patents of license for production require participation. They include:

- Industrial or agricultural projects capitalised at QR 250,000 or more; and with more than 10 workers;
- Projects that require specialised foreign management, such foreign management being supplied against foreign participation;
- High technology heavy industries;
- Feedstock, grains, vegetable, fruits, sugar and cotton industries, but not other food industries;
- Crop cultivation under greenhouses;
- Projects for the production of meat, fish, eggs, and milk, but not dairy products.

Other projects could be added to this list by a decision of the Minister of Economy and Commerce, after consultations with the Minister of Industry and Agriculture.

In addition to the requirement for 51 percent Qatari participation and the requirement that the project be classified as a large project (i.e. in compliance with the conditions shown above) article 7 of law no. 3 of 1985 stipulates that an industrial project available for foreign investment should have a value added of no less than 40 percent. Value added should be verified by a certificate issued by the Chamber of Industry and Agriculture at the request of the Ministry of Economy and Trade after consulting the industrial development committee.

Article 9 of Law no. 3 of 1985 allows non-Qataris to invest capital in industry, agriculture, mining, contracting and tourism without the need for a Qatari partner or Qatari shareholding in the venture, if such a venture is a development project that aims at facilitating the provision of a public service or aims to achieve public benefit.

Such permission, however, is granted by special decree for which investors must apply to the minister of Economy and Trade. The decree may be issued within two months from the date the application is submitted.

A non-Qatari can only apply for such a decree through a Qatari agent, whose role is to liaise between the non-Qatari investor and the Qatari authorities and assist the investor in fulfilling procedures, securing housing and recruiting staff.

Article 31 of the same law prohibits non-Qataris from being partners in private partnership firms or shareholders in joint stock companies. But it exceptionally allows non-Qataris to take up shares in such companies in accordance with article 88 of the commercial companies law, provided their shareholding does not exceed 49 percent, the remaining 51 percent being held by Qatari nationals.

All companies in Qatar are subject to income tax in accordance with the country's tax law of 1954 and its amendments. The said law does not differentiate between Qatari and non-Qatari companies.

In 1966, however, decree law no. 3 was issued and provided some tax measures aimed at national economic development and consolidation. The first article of the decree law stipulates that existing Qatari joint-stock companies or those that are established after the effective date of the law would be exempt from tax on net profits. The caveat attached to the stipulation is that the purpose of such companies be that of undertaking activities that would support and develop the national economy, whether through industry, agriculture, trade, mining, the construction of bridges, roads, hotels or the reclamation of land.

The exemptions referred to above cover income tax specified by the special decree issued in 1954 and amended in 1955, or by decree no. 15 of 1964. The exemptions apply for a period of five years from the date of licensing of the company.

The method of applying for such exemptions was specified in articles 3 and 4 of decree no. 3 of 1966. Appli-

cations are presented to a specialised committee which specifies the lines of activity that qualify for exemptions and the projects that considered as contributing to the development of the national economy. The committee submits its recommendations to the deputy ruler who issues the exemption decision.

Law no. 10 of 1971, on the other hand, provided for the extension of the period of exemption with the approval of the deputy ruler and head of the Council of Ministers.

Decree no. 3 of 1966 provides the following schedule for income tax:

(In Qatari Riyals) -		
Income	But not	
in excess of	exceeding	Percentage tax
5,000,000	—	50
4,000,000	5,000,000	45
3,000,000	4,000,000	40
2,000,000	3,000,000	35
1,500,000	2,000,000	30
1,000,000	1,500,000	25
750,000	1,000,000	20
500,000	750,000	15
250,000	500,000	10
70,000	250,000	5
—	70,000	nil.

Industrial establishments that are not subject to decree law nō. 3 of 1966 are subject to the provisions of law no. 11 of 1980 relating to industrial organisation. According to the provisions of that law, an enterprise is considered an industrial venture if it meets the following conditions:

- That its purpose should be the transformation of raw materials into semi-finished or finished products, the transformation of semi-finished products into finished products, the extraction or mixing of material or the packaging or bottling of finished products;
- That its invested capital should not be less than QR 250,000 and the number of workers it maintains is not less than 10.

If these conditions are met exemptions apply to qualified companies. Article 16 of the decree law allows the Minister of Finance to propose to the Council of Ministers that some or all of the following exemptions be given to such ventures:

- Exemption from income tax for a

period of five years starting from the date of actual production;

- Exemption from customs duty on imports of equipment and machinery and spare parts that are needed by the industrial enterprise, the exemption of raw materials and semi-processed products and packaging material including bags, boxes and cylinders needed in production;
- Exemption of the project's exports from tax and duties on exports.

Kuwait

Kuwait does not have any laws regulating the investment of foreign capital per se. Regulations relating to foreign capital invested in the country are alternatively found in the bulk of legislation governing investments in general.

Kuwait's Industry Law No. 6 of 1965, amended by laws 22 and 97 of 1980 allows the establishment of industrial ventures in which Kuwaitis hold shares.

The aforementioned law does not require a special legal form for the company in which foreigners hold a stake. Neither has such a condition appeared in the commercial companies law no. 15 of 1960 and its amendments.

In the commercial companies law, article 6 stipulates the 51 percent Kuwaiti shareholding in a joint venture and limited partnership company in which foreigners hold shares. Article 68 of the same law exceptionally allows foreigners to hold a 49 percent share in joint stock companies other than banks and insurance companies.

Special authorisation is required, however, for such foreign participation from the specialised government department. The said company should be based in Kuwait. It should have at least one Kuwaiti shareholder and Kuwaiti shares should not be less than 51 percent.

The Kuwaiti Industry Law provides some incentives for industrial ventures. Article 14 of the law lists such incentives and privileges which include:

- Exemption of industrial enterprises licensed under the Kuwait Industry Law from all existing taxes including income tax and any other tax that may be imposed in the future. The exemption is for a period of 10 years starting from the date of licensing or registration of the enterprise or the date of first actual production.
- Exemption from customs duty on the following imports: Machinery and equipment and spares that are required by the industrial enterprise; raw materials and semi-processed products that are required by the enterprise.
- The exemption of the exports of the industrial venture from all export taxes and duties.

Comparative view of legislation

To recapitulate, existing legislation does not show that the GCC countries have so far been keen on attracting substantive foreign capital for investment in various lines of economic activity. This is evidenced by the fact that only three of the six GCC member-states have so far issued legislation that touches directly on the issue of foreign investments in these countries, that govern such investments and that provide the incentives and privileges that should exist if larger inflows of foreign capital are to be sought or expected.

That, however, has not barred the existence in some legislation on investments, of clauses that deal with foreign capital or foreign shareholding in ventures that are held in their majority by GCC nationals.

From the above review of existing legislation several observations can be made.

With respect to licensing of investments financed by foreign capital, all countries surveyed allow foreign shareholding in national enterprises, with foreigners holding the minority stake in these ventures. Only in Bahrain is such shareholding treated as an exception. In Kuwait foreign shareholding in joint stock

companies may also be treated as an exception.

With respect to the purpose of attracting foreign capital for investment in national enterprises, available legislation generally emphasises that foreign investment is desired in projects that would contribute to national economic development. Such contribution is generally acknowledged when development projects planned require the participation of foreign capital or foreign technology and know-how.

As to the areas of economic activity in which foreign capital can be invested, the general observation is that all countries surveyed favour foreign participation in industrial projects. This is particularly true in countries that have not issued legislation governing the investment of foreign capital in domestic economic activity.

In such countries, reference to investments financed by foreign capital exists in legislation relating to the organisation or development of the industrial sector. Thus, such investments are normally treated as industrial investments. Examples of such countries include the UAE, Kuwait, and Oman. Even in countries that have legislation governing foreign capital investments, the desire to have such capital invested in industry is obvious.

The investment of foreign capital in any of the countries surveyed requires that a company be formed in which nationals of these countries own a legally specified share. The required share varies between one country and the other.

As a general rule, however, the creation of such a company in any of the GCC countries must conform with the laws relative to the establishment of companies. The companies in question must take the form allowed by law.

The countries surveyed show marked differences in terms of the legal forms of companies. In the UAE, available legislation allows foreign participation in any form of company that is stipulated by the

commercial companies law. In Bahrain, however, foreign participation is not allowed in partnership companies, but is allowed in limited partnership companies in which the partners are Bahrainis. In exceptional cases, Bahrain allows foreign participation in joint stock companies if absolutely necessary. In limited liability companies, Bahrain also makes exceptions but with the condition that at least one of the partners should be Bahraini.

In Saudi Arabia, there are no conditions relating to the form of the company in which foreign capital can participate. Participation is allowed in any company whose form complies with the commercial companies law of the kingdom.

The situation in Qatar is similar in many ways to Bahrain, while in Oman companies with foreign participation can take one of five forms allowed by the sultanate's commercial companies law.

Tax exemptions are available to foreign investors in all GCC countries for specific periods of time. Only Bahrain does not impose any income taxes on foreign investments in the non-oil sectors. Income tax exemptions are granted to companies that meet conditions that vary from one country to another.

The main conditions include:

- Specific national participation in the company's capital. The lowest allowable participation is in Saudi Arabia, at 25 percent, and the highest is in the UAE, Qatar and Kuwait. In Oman it stands at 35 percent.
- That the venture be a legally established company according to one of the forms allowed by law, which renders it a national company. In Qatar, however, exemptions are available only to joint stock companies.
- That the project serves the goals of development with industrial projects, as previously mentioned, receiving preference in terms of exemptions. Indeed, the UAE, as far as is known, grants exemptions only to industrial ventures.

Saudi Arabia, on the other hand, grants 10-year tax exemptions to industrial and agricultural projects while other projects receive 5-year tax exemptions. A Saudi condition for the investment of foreign capital in the kingdom is that it should involve foreign expertise and know-how.

In Qatar, exemptions are granted to joint stock companies whose purpose is to support the process of national economic development, be it through industrial, agricultural, trade, mining, road construction, bridge construction, hotels or land reclamation.

In Oman, exemptions are granted at the discretion of the Minister of Trade by classifying the project as a development project, provided the project is not capitalised at less than OR 150,000. Such requirement for minimum volume of capital may be reduced to OR 30,000 under certain conditions, as recommended by the committee for the investment of foreign capital and approved by the Minister of Trade, pursuant to the approval of the Development Council.

This shows that Oman is particularly keen on attracting foreign capital. The absence of requirements that the investment should be paralleled by the use of foreign technology and know-how, and the relatively low level of statutory minimum capital is a further indication of Oman's desire to attract foreign investment.

All GCC countries grant industrial ventures tax exemptions even if these projects do not involve foreign participation. Saudi Arabia only requires such ventures to pay the *Zakat*. Bahrain, as has already been mentioned, does not impose any taxes on companies.

All GCC countries except Bahrain agree that tax exemptions for foreign capital are temporary and the period of exemption varies between one country and the other. These countries differ in terms of the date at which the period of exemption starts.

In the UAE the period of exemption starts with the effective date of actual production. The same is observed in Saudi Arabia which, how-

ever, provides for the possibility of changing that by a decision of the Council of Ministers. Projects other than industrial and agricultural ventures will be exempted as of the date of registration.

In Qatar, on the other hand, exemption for joint stock companies starts on the date the decree for the creation of the company is issued and on the date of first actual production for other forms of companies. While in Oman, setting the date when the period of exemption starts was left to the discretion of the Minister of Trade and Industry.

Kuwait has three options for the start of the period of exemption. This period could start on the date of licensing, registration or first production.

As was mentioned above, all GCC countries agree that exemption from tax is temporary. The periods of exemption, however, vary markedly. In the UAE, the period of exemption is five years renewable, but the number of times it can be renewed is not specified. In Saudi Arabia, industrial and agricultural projects are granted a 10-year exemption while other projects are exempted from tax for only five years.

In Oman, exemption is for five years and there is no mention of whether the period is renewable or not. In Qatar, exemption is for five years renewable and there is no limit on the number of times the period can be renewed, while in Kuwait no minimum period of exemption is specified, but the maximum length of the exemption period is 10 years.

One singular case of regressive income tax is observed in Oman. The tax rate drops as foreign participation increases with the condition that national participation should not go lower than 35 percent and taxable profits should not be less than OR 20,000.

The UAE, Qatar and Kuwait exempt foreign capital invested in them from taxes other than income tax currently imposed. Saudi Arabia and Bahrain, on the other hand, do not impose any taxes other than income tax.

Only Oman stipulates that foreign

capital is not exempt from taxes other than income taxes that are levied on Omani trades in general. As to taxes that could be imposed in the future, investment legislation in Qatar, Kuwait and Oman provide for exemption of foreign capital from them.

Customs duty exemptions are observed across the board in the GCC. These include import duty and export duty exemptions.

Import duty exemptions cover imports of equipment and machinery, raw materials, packaging bottling and canning material. The only exception is Bahrain which grants 50 percent exemption to imports outside the free zones and full exemption inside the free zones.

All GCC countries exempt exports of projects in which foreign capital is invested from export taxes and duties.

Recommendations

The General Secretariat's study and findings were presented to the GCC's trade committee during the latter's December 1985 meeting in Muscat. The survey and the Secretariat's recommendations will also be studied by the GCC's financial and economic committees.

The Secretariat presented two main recommendations. The first calls for the creation of a unified legal framework governing investment of foreign capital in GCC states. The unified legislation would be in line with GCC development policies adopted following the Kuwait summit and with the industrial and agricultural strategies formulated by the GCC's Higher Council during its sixth session. It would also have to take the various GCC states' investment aims into consideration.

The Secretariat's second recommendation stresses the need to set up a system which would encourage the GCC states' private sector to participate in GCC joint ventures which would complement public investment policies. The incentives offered, the Secretariat argued, should include tax incentives as well as administrative ones.

SAUDI ARABIA

SYMPOSIUM DISCUSSES COUNTRY'S WATER RESOURCES, PROJECTS

Fiyadh AL-RIYAD In Arabic 17 Apr 86 pp 6-7

[Article: "AL-RIYAD SYMPOSIUM: Kingdom's Water Sources; Kingdom Ranks First in World in Producing Desalinated Water; Agricultural Expansion and Increased Consumption Are Countered by Increased Production; Kingdom's Water Sources Are Numerous and, Therefore, Face no Danger; al-Shu-aybah and 'Asir Projects Are Unmatched Miracles; New Water Projects Include Sadir Project Which Serves 62 Towns and Villages and 'Afif and al-Dawadimi Project Which Serves 42 Towns and Villages; Price of Water is 30 Halalah Whereas Cost Is 2.5 Riyals; There Will Be no Water Crisis in Summer; Multiplicity of Authorities in Charge of Water Has not Reduced Coordination or Hampered Citizen's Interests; Desalination Plants Produce 25 Percent of Kingdom's Electricity Consumption; al-Shu'aybah Plant Will Go into Operation in 8 Months; 'Abdallah al-Musa'id: We Do not Expect Water Crisis to Develop in Coming Years; 80 Percent of Kingdom's Water Projects Have Been Implemented by Ministry [of Agriculture]; There Are Areas Where Well drilling Is Prohibited; 'Abdallah al-Husayn: Length of Pipelines Carrying Kingdom's Desalinated Water is 5,000 Kilometers; Whoever Wants to Know True Nature of Efforts Exerted by Government in This Respect Should Visit or Read About Desalination Projects; Faysal Mushrif: New Water Authorities Have Been Set up in 'Asir and al-Qasim; Municipalities Play Prominent Role in Supplying Water and Rationalizing Consumption; Ha'il Project Was Received 1 Month Ago and al-Ta'if Project Has Faltered for Reasons; Muhammad al-'Uraynan: Jiddah's Water Consumption Is Very High; South Jiddah's Population is Twofold North Jiddah's Population Whereas North's Consumption Is Twofold South's Consumption; We Are Capable of Managing and Operating Project and This Is Our Real Situation; 'Abdallah al-Babutayn: Authority Is in Charge of Area Exceeding 800 Square kilometers; Is It Necessary to Maintain Division of Water Responsibilities; We Have no Water Problems in Area"]

[Text] The Kingdom of Saudi Arabia, a desert country with no rivers and no lakes, relies for its water on limited traditional sources and on new sources that have put it atop the list of world producers of desalinated sea water. Rainfall in the various provinces ranges from 80-400 millimeters annually. The Kingdom also relies on the strategic underground water store.

In record time, the Kingdom has surpassed the bottleneck in water shortage resulting from expanded agriculture and increased consumption. It has

resorted to building desalination plants on the eastern and western coasts to produce large quantities of desalinated water and electricity. These plants have contributed to ending the crisis, have supplied nearly 25 percent of the electricity produced locally, and have extended to desert cities, such as Riyadh, to supply them with desalinated water. Measures have been taken to protect the other water sources by prohibiting well drilling, by rationalizing consumption, and by establishing an official price, even though it is much lower than the cost price.

Today's symposium discusses the issue of water and summer and of coordination between the authorities in charge of supplying water and conveying it to the consumer.

Participating in the symposium were 'Abdallah al-Musa'id, the agriculture undersecretary for water affairs; 'Abdallah Muhammad al-Babutayn, the general director of the Eastern Province Water and Sewerage Authority; Muhammad al-'Uraynan, the general director of the Western Province water projects; Faysal Hamzah Mushrif, the assistant director general of utilities at the Ministry of Municipal Affairs; and 'Abdallah 'Abd-al-Rahman al-Husayn, the Public Desalination Authority's deputy governor for operation and maintenance affairs.

Also participating in the dialogue were colleagues Turki 'Abdallah al-Sudayri, the paper's chief editor; Nasir al-Qar'awi and Sulayman al-'Usaymi, managing editors; and Muhammad al-Sulayman, one of the paper's editors. Following is the text of the symposium:

Water is of very great significance to the Kingdom, especially since we know that the Kingdom is a desert country which is engaged at the same time in an agricultural renaissance relying totally on the means with which water is produced. For the Kingdom, summer is also a period which has its role in draining the water resources and in water consumption. The ministry and the bodies emanating from it sometimes resort to measures to rationalize water consumption.

In this seminar, we will discuss with the gentlemen participants the issue of summer and water and the relevant water issues connected with agriculture and with the impact of desalination on reducing the pressure on underground water consumption. We begin with Mr 'Abdallah al-Musa'id.

'Abdallah al-Musa'id: There is no doubt that water is the backbone of life and the basis of any development, be it agricultural, industrial, or human. Water is the mainstay and the starting point from which this development grows and expands. In view of the importance of water, the Ministry of Agriculture and Water has focused its main attention in the past 20 years on geological studies for discovering the Kingdom's water layers. When these studies made a long stride and when we reached some reassuring conclusions, agricultural development was initiated and it has made big leaps in a short time. There is no doubt that Saudi Arabia is a desert country where there are no rivers and no fresh water lakes and where rainfall varies from province to province. Rainfall is rare in some provinces. In the Central

Province, it ranges from 80-100 millimeters whereas it rises to 400 millimeters in the southern province. All this has motivated us to deal and interact with the available water resources with a degree of caution and balance. The studies have focused on this aspect and have taken it into consideration so that we may be secure and may interact with the resources available to us.

The modern agricultural development has, fortunately, taken place lately. We have benefited from the technological progress and it has been possible to utilize this technology to supply a large part of the water needed and to cover vast areas because of the high economic yield of agriculture.

The Ministry of Agriculture and Water has not disregarded the drop in water levels in some provinces where there are no geological formations, such as al-Dir' al-'Arabi, or where there are formations that have to be preserved in one way or another. The efforts have been focused and channeled toward enabling this development to take place at times when evaporation is at its lowest. The emphasis has been put on winter crops because the [water] loss is small and the [maturation] period, as well as the rainy season, is short.

Successive and detailed studies have been conducted in the Kingdom's various provinces throughout the past 23 years so that we may be safe and may create development on a firm base. Some brothers ask: Is there a water shortage? This is true and there is no doubt that there will be a shortage. But it is a limited and expected shortage. However, there is a process of balancing the cultivable area with the water store. There is now an inclination toward greenhouse agriculture. In my view, this inclination will reduce water consumption greatly and will, consequently, return a higher yield. It will also save in technical labor.

Numerous dams have been built to replenish the underground layers. This replenishment process is more extensive and faster in the valleys area of al-Dir' al-'Arabi and in areas where water is replenished from surface layers that produce a quick yield at varying times. This is why major emphasis has been put on dams in various parts of the Kingdom. These dams have produced major positive results felt by all. This program continues and is supported by the higher authorities. All have become aware of the program's quick benefits and of the importance of utilizing every drop of water falling on the parts of the kingdom where dams have been built so that the water may be fully utilized to replenish the [underground] layers, for drinking purposes or to avert floods in some areas. These dams have accomplished a lot, especially in al-Dir' al-'Arabi area and in the provinces of Mecca and al-Ta'if. These areas now totally rely on these valleys and on the annual replenishment from rainwater.

[Question] Do you believe that water used for agriculture has an impact on the drinking water supply in summer and does the water used for agricultural purposes in summer have an impact on the volume of water for drinking purposes?

[Al-Musa'id] To a certain degree, I believe. But we should keep in mind that this impact varies from province to province. If the source of the province concerned is surface water, then it is indubitable that there is an impact. But if the source is deep underground water where wells are dug and pumps installed, then the impact is negligible.

[Question] Has the ministry taken precautions in this regard?

[Al-Musa'id] No doubt. The major part of agricultural development takes place in winter. This is on the one hand. On the other hand, prohibited areas are established throughout the kingdom to protect the water sources. There is a ban in every area replenishing a drinking water source. In Riyadh Province, for example, there is a ban that extends from al-Kharj area to al-Mujamma'ah in the north and from Jabal Tuwayq in the west to nearly 40 kilometers east of Riyadh. In accordance with royal instructions, there is a complete ban on drilling any deep wells because the area is designated as a drinking water source. The same applies to other cities in all parts of the kingdom, such as the areas of Sudayr and al-Washm where there is a ban on drilling wells close to the drinking-water sources. Full priority has been given to drinking-water sources.

Eastern Authority's Experiment

[Question] Mr al-Babytayn, in light of your experience as water and sewage director in one of the Kingdom's important provinces, what is your comment on consumption in recent years? Have you noticed that there is such a drop in the water level to require measures to curtail the consumption of drinking water, is the level constant, or is it rising in such a manner as to lessen the need for the efforts to reduce consumption?

[Al-Babutayn] To start with, I would like to give a summary on the Water Authority in order that we may be able to answer the question. The Eastern Province's Water and Sewerage Authority supervises an area extending nearly 800 kilometers from the north to the south and it operates with a total budget of nearly 9 billion riyals. We also supervise 26 cities and water and sewage lines estimated at nearly 5,000 kilometers long. Moreover, we supervise no less than 200 sewerage plants, 100 water reservoirs, 220 villages, and nearly 2,000 workers who operate these facilities.

If we compare these sums, plants, and projects with the year 1400 of the Hegira, we find that we then had 20 projects which amounted in value to 400 million riyals only. We now have 220 projects in all of the Eastern Province's cities and villages and nearly 120,000 residential water and sewage connections. These figures give us an adequate indicator of the high per capita consumption rates. It is well-known that the higher the progress level, the higher the per capital consumption rates.

As for the authority's plans, we were eager from the beginning to conduct studies on all of the Eastern Province's cities and villages in anticipation of future consumption. We divided the Eastern Province into eight zones, namely: Hafr al-Batin, al-Khafaji, al-Na'iriyah, al-Jubayl, Rahimah, al-Quitayf, al-Khubar, al-Dammam, Abaqayq, and al-Ahsa'. The sources available

to us are: first, the Public Desalination Authority which supplies the cities of Al-Dammam, al-Khubar, Dhahran, the Petroleum University, and the areas between them--Sayhat, al-Qatif, Safwa, and Rahimahu. Another source developed by the Ministry of Agriculture provides an adequate volume of nearly 80,000 cubic meters to al'Ahsa' area. We and the Ministry of Agriculture have between us organized plans to make up for the water shortage either through desalination, through water coming from southern al-Ahsa' and wells drilled in various areas. There is also coordination on the future plans to build circular pipelines. These plans, already discussed with 'Abdallah al-Musa'id, will solve for us most of the problems concerning control over the water volume flowing to the various areas, purification, water preservation, and concerning determination of the volume of water consumed. These enormous projects have required us to develop the national manpower and we have focused on training inside and outside the Kingdom. Inside the Kingdom, the training is provided either by the specialized institutes or by training programs prepared by the authority for each project separately. The implementation of these projects has also required a futuristic look. In light of our studies, we determine the qualities of the materials compatible with the nature of our areas because we supervise desert areas, coastal areas, and areas where underground water abounds. We have established uniform standards for material qualities and lifespan, considering that our studies cover the period up to the year 1440 of the Hegira. This has required us to determine what materials endure, serve well, and do not require exorbitant maintenance and operation costs. It has also required us to establish uniform standards for the plants and the pumps, considering that there are nearly 40 [water-pumping] plants and 37 purification plants. We have been further required to study the alternative, namely, to purify sewage water. Several meetings have already been held between us, the Ministry of Agriculture and the Ministry of Municipal Affairs to utilize this wasted resource which ends up in the sea. This sewage water does not, of course, affect the fish resources. But utilizing it for agricultural and industrial purposes is a possibility. In the latest meetings with the Ministry of Agriculture in al-Dammam and al-Khubar--Mr 'Abdallah can offer more details on these meetings--it was decided to conduct studies on utilizing sewage water produced by nearly 80 kilometers of sewers between al-Dammam and al-Khubar, to survey the volume of water produced by these areas and to utilize this water.

To return to the question raised, it is true that consumption is growing and that there is a water shortage in both desalinated water and in water we get from wells. The alternative is to mix desalinated water with well water. There is coordination in the request for the production stages in coming years. We have actually been able to control the situation and to supply the citizens with adequate quantities of either desalinated water or well water.

Factors in Consumption Volume

Faysal Hamzah Mushrif: I wish to comment on a point discussed by 'Abdallah al-Babutayn and on the question concerning the rise or drop in the consumption rate. There are, of course, several factors that affect the increase

or drop in the consumption rate. The main factor is the difference in summer and winter consumption. In addition to this factor, there are several other factors I wish to touch on.

The first factor is the quality of the water supplied to the citizen. If the water is pure and its quality high, the demand and consumption increase, of course.

The second factor is the presence of controls over the consumption activity. Are there meters that tax the citizen for the volume he consumes? Are there fees? These are factors that have a big impact. If the fees rise, consumption drops and if they drop, consumption rises. Another factor is the citizen's social standard. There are homes where baths are taken daily and there is the opposite. There are homes with modern sanitary means. This increases consumption, of course. What is meant is that the higher the social standard, the higher the consumption. There is also the presence of industries and of commercial and industrial businesses in a city and the type and volume of these industries and businesses. Consumption increases according to the type of the existing industries and commercial businesses, such as hotels, restaurants, and so forth. A city's size also affects the consumption rate. The bigger the city, the greater the consumption and the greater the demand for water.

Desalination Authority's Role

[Question] Mr 'Abdallah al-Husayn, the Public Desalination Authority has had a very big role in supplying a major part of the citizen's daily consumption. We, as you are aware, are a desert society and the Saudi city has faced a water crisis in recent years. What is the authority's role in solving this crisis and, consequently, do you think, in the light of your projects, that we will have a crisis in the coming years?

[Al-Husayn] The fact is that the authority's role is to support in supplying adequate quantities of water for drinking, for residential consumption, and to places where underground water is not available in adequate volume and quality. Its role is also to supply quantities of water, small as they may be, for agricultural purposes and to develop drinking-water sources. From the time the authority's desalination activity started in the year 1388 of the Hegira and until the present, the authority has built nearly 22 dual-purpose and single-purpose plants with a production capacity ranging from a minimum of 60,000 gallons in some northern plants on the western coast to 250 [thousand] gallons daily in the second phase of al-Jubayl plant. At present, the compounded capacity of the desalination plants amounts to nearly 2 million cubic meters daily. This volume will increase by nearly one million liters when production begins in the Mecca, al-Ta'if, and 'Asir plants and the west coast expansion plants in Amlaj, Zaba, and Haql. The authority also shoulders another responsibility and contributes to solving a crisis of another kind by supplying electric power to the distribution networks. The authority has now a compounded electricity [production] capacity of nearly 3,400 megawatts, thus contributing nearly 25 percent of the kingdom's compounded electricity capacity. The authority is nearly the

biggest power-generating network. As for the question regarding the authority's capacity to supply more quantities of water so that no shortage may develop, there are some areas where no shortage is expected for long years to come, God willing. Expansion plants are included in the fourth 5-year plan for other areas and these plants will be built in succession, God willing.

[Question] Brother Muhammad al-'Uraynan, the Western Province project is about to begin operating its two plants in Mecca and al-Ta'if. The city of Jiddah has also suffered from a water crisis recently. I beg you to tell us about the efforts exerted by the Ministry of Agriculture and Water to solve the Western Province's water crisis.

[Al-'Uraynan] I would like to point out that it is premature to talk about al-Shu'aybah because the project is under implementation. Therefore, I will not touch on it.

I will now turn to the issue of Jiddah. The Western Province's water projects include, of course, Jiddah, Wadi Fatimah, Wadi Khulays, al-Ta'if, Wadi Tarbah, Wadi 'Ardah, and al-Hada. The fact is that the brother participants have touched on consumption which actually varies from month to month and from one part of the day to another. However, we can say that the desalination plants' capacity is not bad so far. But the new plans and the new development that has occurred in Jiddah consist entirely, fortunately or unfortunately, of villas and of vast and widely-scattered areas where the consumption will be high when compared with the population density. We have divided Jiddah into three zones: southern, central and northern. South Jiddah's population is nearly twice North Jiddah's population whereas North Jiddah's consumption is twice South Jiddah's consumption because South Jiddah's homes consist of economy houses and apartment buildings whereas North Jiddah's homes consist of villas with swimming pools. This situation will not, God willing, have a major impact on the issue we are discussing in this symposium. We in the Ministry of Agriculture and in the Desalination Authority are like a single agency. There is coordination and followup and there are preliminary reports on what is expected and supposed to happen. In this regard, I feel reassured, God willing.

[Question] Brother Faysal, the question may also pertain to the Ministry of Municipal and Rural Affairs which has a direct connection with the issue of curtailing water consumption and waste. What is the Ministry of Municipal and Rural Affairs' Role in curtailing the consumption that exceeds the citizen's actual need?

[Faysal Hamzah Mushrif] It is well known that several authorities are in charge of drinking water in the various parts of the kingdom. They are led by the Ministry of Agriculture which is concerned with looking for and developing water resources, with supplying water to the cities and with building water networks in some of the kingdom's cities. There are then the water and sewerage authorities, of which there are six so far. These authorities are a part of us and we complement each other. They are in charge of building, maintaining and operating water networks in the cities

in which no water and sewerage authorities have been set up so far. The Ministry of Municipal Affairs is still in charge of building water networks in these areas and cities. There are some cities and villages that have municipalities but do not have water networks. The Ministry of Municipal and Rural Affairs is in charge of supplying them with water (through contracts concluded with tanker trucks) until water networks are built in them. The ministry has studies on most of these cities and villages. This is generally the situation insofar as supplying the citizens with water is concerned. As for rationalization, joint efforts are being actually exerted by the Ministry of Agriculture and Water, the Ministry of Municipal and Rural Affairs and the water and sewerage authorities. Our citizen does, God be thanked, have awareness, possesses many of the components of ideal citizenship and is most cooperative in this connection.

One of the means of curtailing consumption is, of course, the levying of fees. It is well known that the [current] fees are symbolic, considering that they are set at 30 halalahs per cubic meter. It is known that a cubic meter costs the state nearly 5 riyals.

As for drinking water, the citizen's cooperation is fundamental because the fees are symbolic. Regarding drinking water, which is probably more important to the citizen than oil because water is the backbone of life, I believe that all the efforts must be united to establish controls in order that the Desalination Authority, the water authorities, the Ministry of Agriculture, and the water purification plants may not spend hundreds of millions to purify water that is flushed down toilets. It is possible to install inside houses saline water lines or networks to use saline water for washing and flushing purposes. There are other means to rationalize the consumption for industrial purposes. It is also possible not to allow factories to use fresh water and to compel them to use water that is not of such bad quality, especially for industrial purposes not connected with foodstuffs. Petromin Refinery in Riyadh has actually begun to use sewage water purified by the Petromin plant for cooling purposes. This approach saves large quantities of drinking water. There are, in fact, numerous controls for the rationalization process and these controls require the cooperation of all the authorities concerned and need to be studied on sound bases. There are other means of rationalization. In the homes, for example, it is possible to use economic sanitary fittings. The existing toilets consume 8-12 liters of water per flush. There are smaller flush tanks with a capacity of 4 liters and these tanks save large quantities of water. There are numerous means to preserve this important resource and these means need to be studied with the authorities concerned.

Possibility of Linking or Unifying Authorities

[Question] Insofar as water is concerned, more than one authority, including the Ministry of Agriculture and Water, the Ministry of Municipal and Rural Affairs, and the Water Desalination Authority shoulder the responsibility as authorities implementing a number of major projects. Is it possible to link these authorities that are in charge of producing, distributing, and prospecting for water to a single agency? If this is not possible, then what degree of coordination exists between these three agencies to supply, distribute, and preserve water?

['Abdallah al-Musa'id] There is no doubt that this question is raised but "when the reasons become known, astonishment disappears." Judging by the percentage of water used in agriculture, I believe that the ideal situation is for these authorities to be tied to the Ministry of Agriculture and Water because there can be no agriculture without water. Drinking water constitutes a small part of the consumption. When water was tied to the Ministry of Agriculture in the past--a situation which continues to exist until the present--the water and sewerage authorities law was issued in 1391 of the Hegira. This law states that the Ministry of Agriculture and Water shall be entrusted with studying and developing the water resources, with drilling wells and with building networks and conveying them to the cities. The law adds that these networks are to be then handed over to the water and sewerage authorities or the municipalities. This is the situation existing at present. There are now several authorities that are in charge of water. The Ministry of Agriculture and Water is responsible primarily for studying, developing, and enhancing the water resources. The responsibility of the Desalination Authority is well-known. This authority's resources are sea water. The sea did not constitute a source [of drinking water] until the Desalination Authority came into existence recently. There is no doubt that desalination has played a major role in the development period undergone by the Kingdom.

There were several areas in the Kingdom which had unfit water sources, such as Medina, Mecca, and the Eastern Province. These sources have been developed with the efforts of the municipalities or of the water authorities. Otherwise, the water networks have been built by the Ministry of Agriculture and Water. It can be said that more than 80 percent of the kingdom's projects have been built by the Ministry of Agriculture and Water. It is indubitable that cooperation is a must, regardless of whether the projects are built by the Ministry of Agriculture, by the municipalities, by the water authorities, or by the Desalination Authority because [as Caliph Harun al-Rashid told the clouds]: "Drop your rain wherever you wish and your yield will still come to me." What is important is to serve the country and the citizen. The Desalination Authority has made a major contribution. As 'Abdallah al-Husayn has said, this authority's contribution comes from its supplying water for industrial or agricultural purposes or for drinking sooner or later. There is no doubt that the authority produces a very big yield and its biggest yield is now enjoyed by the citizen in the heart of the Arabian Peninsula, in Medina. Soon, this yield will, God willing, be enjoyed in Mecca and al-Ta'if on the west coast. In Riyadh, a very high percentage of the water consumed comes from the sea. Our plants are in active and constant operation and under constant maintenance in preparation for any emergency. We again say that there are several authorities in charge of water, namely the Ministry of Agriculture and Water, the water authorities, the Ministry of Municipal and Rural affairs, and the Desalination Authority. The Desalination Authority's role is well known. There remain the water authorities and the municipalities and the Ministry of Municipal and Rural Affairs. There is, of course, constant coordination and there are contacts. Prior to every budget, a special working team from the Ministry of Agriculture and Water and the Ministry of Municipal and rural Affairs determines the areas where projects are to be built. If there is a studied

project for which appropriations are made by the municipality concerned and if this municipality wishes to carry out the project, then it is implemented either by the above-mentioned ministries or by the subsidiary municipalities. If there are no studies or plans and if appropriations are not available, then such a project is implemented by the Ministry of Agriculture and Water. Upon completion, such a project is handed over to the municipality, if there is one, to operate and maintain it and to develop it in the future in case there are any plans for such development, considering that any project needs development and continuity, particularly service projects such as electricity and water projects. As for the current sources, it is my personal viewpoint as a geologist and an official of the Ministry of Agriculture and Water that it is in the public interest to have a single authority in charge of the water resources. Which authority? I believe that this is the question that imposes itself and that is determined by public interest.

Why Multiplicity of Authorities

'Abdallah al-Babutayn: Mr 'Abdallah al-Musa'id says that "the objective of the multiplicity of authorities is to serve the citizen." I believe that having a certain and specific authority from which the citizen can get the service is better than multiplicity. The citizen may encounter difficulties in areas where the authorities are numerous. For example, the water networks are under the control of the Ministry of Agriculture in certain areas and under the control of a water authority, a private company, or private citizens in other areas--haphazard networks. This multiplicity of authorities means losing the way to serving the citizen. Consequently, it means loss of the guarantee that the citizen gets pure sterilized water. It is well known that a rapid means for the spread of disease is the absence of control over water. This situation exists at present. The existing laws state that the water authorities are responsible for building, maintaining and operating the networks, and then for collection. If we examine the water authorities' laws applied in the Kingdom, we would find a vast difference between the powers of the water authorities and the powers of the Ministry of Agriculture. In the Eastern Province, we conduct the studies and build, operate, and maintain the networks. The Ministry of Agriculture carries out the desalination activity and conveys desalinated water to the city and then builds the main networks, as is the case in al-Ahsa' Province. Consequently, it builds the main and subsidiary networks and links the residential connections. The situation in Jiddah is different from that in Riyadh. When the studies in the Kingdom generally are unified, then this means that there is a certain responsible authority that defines the range of all the activities and defines the standards of the materials on which astronomical sums are spent. Every government agency and authority spends sums of money on different materials. Who determined the lifespan of these materials and of these plants? The interpretations of the authorities concerned solely. Imagine what the situation would be if there were a single authority in whose hands all these studies are concentrated and which selects what is best for these provinces! It is well known that the kingdom contains all kinds of soil from saline to clay soil, to soil in which underground water abounds and to other kinds of soil. Thus, the situation requires the presence of a data center. What is important is to unify these authorities in a single authority that is in charge and through which the citizen can get the

service. What is important is to put the matter in the hands of a single authority, whichever it is, as long as the ultimate goal of this process is to serve the citizen.

Muhammad al-'Uraynan: The fact is that "Abdallah al-Dabutayn has touched on an issue on which we all agree, namely the issue of unification. But we must not disregard the background on which this situation has developed. Let me cite Riyadh and Jiddah as an example. We must not forget the Ministry of Agriculture's expertise in building networks and purification and treatment plants at a time when the water authorities did not possess such expertise and did not possess the technology and the technicians to carry out such projects. The Ministry of Agriculture is, in fact, to be thanked for its efforts. Had we waited for these authorities to develop and to achieve the ability to build such projects, we would have accomplished nothing. God be praised, how many treatment plants and how many connections are there in Riyadh now? The water authority has now taken over the operation and maintenance and the Ministry of Agriculture continues to carry out its mission of completing the network. As for the networks which brother 'Abdallah al-Babutayn has described as haphazard, I don't believe that such networks exist in Riyadh and Jiddah. It is possible that they exist in some areas.

'Abdallah al-Babutayn: We are not denying the Ministry of Agriculture's dues. At the outset, I underlined this ministry's dues in technology and in the projects. The accomplishments achieved in the Eastern Province, for example, are countless and we can only express for them the appreciation they deserve. But what is happening is that we are faced with a system which determines which project is controlled by which authority, be it the Ministry of Agriculture, the water agencies, or new authorities emanating from them. What is important is that the citizen's services be unified in a single agency and that control over the water chlorination and purification processes be placed in the hands of a single authority, regardless of whether it is the Ministry of Agriculture or some other agency.

Riyadh City is Model

'Abdallah al-Musa'id: There is no doubt that there is a living model which we must emulate, namely Riyadh City where all the plants and networks have been under the control of a single authority--the Ministry of Agriculture. I believe that all attest that Riyadh City's water networks are model networks. I don't believe that I am the one to make this judgement. This judgement was made by the Higher Authority for the Development of Riyadh City, the only authority to anticipate all the plans and all the services. There are now areas where more than one authority is in charge and where the Ministry of Agriculture has not been asked to implement projects. These areas continue to be without networks. Consequently, the citizen's interest is lost. Nearly 2 years ago, a decision was made to put a single agency --either the municipality or the Projects' Center--in charge of Riyadh City's services. Instructions were issued to the effect and steps were taken. But when they sought to implement, they could not find any agency capable of implementation. Consequently, the situation existing previously was restored. The Ministry of Agriculture cannot carry out the work of the

Ministry of Communications or of the Telephone Authority and the Telephone Authority cannot carry out the work of the water and sewerage authorities and vice versa. There are agencies which, with their background and expertise, have been able to provide services on schedule and in short time. We now have plants, but no networks. Let me cite Ha'il and al-Ta'if as an example. Al-Ta'if project has been going on for 7 years and the network is still being implemented by the municipalities. If this situation continues, the citizen's interest will be lost. The Ha'il network was offered for bids recently. The existing network represents only 20 percent [of what is needed] whereas Umm al-Humays project was built more than 12 years ago. If there were a single authority, whichever it may be--let us say the Ministry of Agriculture--in charge of the issue from A to Z, I believe that there would be coordination [muwakabah]. I believe that Riyadh is a good living example because the plants, the sources, the networks, and the storage tanks coordinate constantly. This is why Riyadh has not suffered from a shortage at any time. I believe that this is a living example and believe that everybody is aware of this.

Brother Raysal Mushrif: I have an addition or a small observation to make on what Mr 'Abdallah al-Musa'id and brother Muhammad al-'Uraynan have said. The Ministry of Agriculture has, of course, exerted enormous and commendable efforts in building water networks, especially in Riyadh and Jiddah. The ministry's expertise in these networks is absolutely indubitable. We are now facing an existing situation whereby other government authorities, namely the water and sewerage authorities, have been set up. These authorities' law defines their jurisdiction, saying in one of its paragraphs that these authorities are responsible for building, operating, and maintaining water networks in the cities and for collecting fees. As brother 'Abdallah has said, any authority may build the networks. But the objective is to serve the citizen. Now there is a new situation that dictates that coordination be established between these authorities.

The second point concerns unification of the water services in a single authority. This issue is being now studied by higher authorities on the strength of a recommendation by the Ministry of Municipal and Rural Affairs that the water services be unified in a single authority, regardless of whether it is the Ministry of Agriculture, the Ministry of Municipal Affairs, or any other agency. All aspects of this issue are being currently studied by the higher authorities concerned.

Mr 'Abdallah al-Musa'id has also cited the Ha'il and al-Ta'if projects as an example. Al-Ta'if project consists of three parts: building sewers, building water networks, and building rainwater drains. Appropriations were made for this project in 1398 or 1399 of the Hegira and the projects was offered for bids in 1400 of the Hegira. The bid was then cancelled and the project was offered for bidding anew and was awarded in 1401-1402 of the Hegira. There may have been obstacles that have caused this project to falter.

Ha'il project is experiencing the same thing. The Ministry of Municipal and Rural Affairs concluded a 2-year contract for the project 4 years ago.

The cost of the water networks alone was 138 million riyals. Regrettably, the contractor faltered and problems which the ministry could not solve emerged. This project was taken over by a contractor 2 months ago. There is no doubt that the project which was designed 8 years ago does not meet the city's needs. The vast development that has occurred in the Kingdom's cities is well known. This is the reason the project has not covered the entire city. There is currently a study for expansion and for preparing new blueprints.

'Abdallah al-Musa-id: I wish to make a comment on an issue that is beyond the jurisdiction of all of us, namely the issue of asphaltting roads. Is the Ministry of Communication responsible for asphaltting inside or outside the cities and where do the ministry's limits end? I believe that this overlapping exists in all the government agencies. Regarding electricity, is the municipality or the Ministry of Electricity responsible for lighting inside the cities? In telephones, for example, there is an agency that does the maintenance, another agency in charge of operation, and a third agency in charge of implementation. I believe that this issue applies not only to water, but also to all the government utilities. But perhaps it is clearer insofar as water is concerned. However, all the other government agencies suffer from the same duality and lack of separating line: a red line and a green line where one can say this is the limit of such and such an authority. The Ministry of Communications, for example, may say: Such and such a meter or this or that meter is where my work ends and where you, the municipalities, "may" or "may not carry out work." We find this ministry building bridges, tunnels, and express roads inside the cities. So why the question concerning water in particular?

The fundamental goal is to offer the service to the citizen. What is important is that the service reach him simultaneously with other services. The objective which the government and the citizen aspire for is that the services reach the citizen simultaneously.

I don't believe that the citizen is so [uninformed] that he does not know which is the authority truly in charge. It is true that it would be good if it were a single authority. When the citizen hears the word "water," what comes to his mind is the Ministry of Agriculture or the Eastern Province Water Authority which is in charge there. But there are, as brother 'Abdallah al-Babytayn has pointed out, numerous towns, such as al-Qatif and its villages, where the Ministry of Agriculture and Water has implemented projects.

New Desalination Plants

[Question] Mr 'Abdallah al-Husayn, regarding some water desalination plants that are under construction, especially regarding the 'Asir plant which supplies al-Sha'iq and southern areas, al-Shu'aybah plant which supplies Mecca and al-Ta'if area and regarding some projects in the Eastern Province and on the west coast, I beg you to shed light on all or some of these new projects. When will they be completed and when will they go into operation? Moreover, are there some new projects in areas where implementation has not begun?

[Al-Husayn] Before I answer this question, I wish to dip my bucket into the issue of multiple authorities and say that this multiplicity is at times normal. Let me cite the following as examples.

The clear responsibility of the Public Desalination Authority is to produce desalinated water from the sea. But we also find that the authority's responsibility includes, and in a fundamental way, the production of electric energy which accompanies the production of water so that the authority may obtain the two products, water and electricity, more economically than producing them separately. This does not, of course, constitute intervention in the responsibilities of the electricity companies because its objective is economy. On the other hand, the two agencies, namely the Electricity Company and the Desalination Authority, cannot manage the same plant. Therefore, the multiplicity of authorities is normal. For example, the Public Desalination Authority has built more than 5,000 kilometers of pipelines to carry water from the plants to the cities and to distribute water in the cities, as is the case in Riyadh, or to just distribute water in the cities, as is the case in the Eastern Province. This does not constitute intervention in the responsibilities of the water authorities, for example. The objective is to ensure implementation of the project as a single unit and to insure that water is delivered on time, without overlapping between the government agencies. The multiplicity of authorities is normal in such cases. The same goes for discovering water resources. As 'Abdallah al-Musa'id pointed out a short while ago, drinking water constitutes a small part of the water needed for agricultural purposes. Thus, it is in charge of the water policy as a whole. It may not be economic or practical to entrust the development of drinking water from wells, for example, to a water authority and to the Ministry of Agriculture because overlapping will develop.

Regarding the Mecca-'Asir and Mecca-al-Ta'if project, experimental operation will, God willing, begin in 8 months. By this time next year or a month earlier, we expect, God willing, that the production of water commercially will have begun and that the first units of the project will have been delivered.

The Mecca-al-Ta'if project consists of a dual-purpose plant for the production of nearly 50 million gallons daily to be divided between Mecca and al-Ta'if in a manner that meets the consumption needs and the production of nearly 350 megawatts of electricity that meet the need for the electric power to pump the water up the mountain heights and to convey it to Mecca. The remaining part of the power produced will go to the western electricity network.

The project costs amount to nearly 2.5 billion riyals. One of the most important aspects, or challenges, of this project is the nearly 14-kilometer tunnel built under al-Hada mountain with a diameter of 5.4 meters and with an elevation of nearly 700 meters from the tunnel's bottom to its top.

As for al-Shaqiq which, God willing, will supply Abha, Khamis Mushayt, Uhud Rafidah, and the King Faysal Military City with desalinated water, it will

produce nearly 20 million gallons of water daily and about 120 megawatts of electricity. This electricity is enough for the consumption of the pumping plants which will pump the water to the elevation of Abha City. The remaining part of the power will be diverted to the southern electricity network. The fourth 5-year plan provides for expansion of the third phase of al-Khubar project. All the specifications for this project are ready. The project consists of a dual-purpose plant that will produce nearly 60 million gallons of water and 600 megawatts of electricity. The 'Asir project will cost nearly 2.6 billion riyals.

New Agency in 'Asir and al-Qasim

[Question] Regarding the Abha City water network, it has had its problems and there is there an old and (wasteful) network. Is there anything new regarding the new network?

[Al-Husayn] There is currently the Directorate of Municipal and Rural Affairs. The 'Asir Water and Sewerage Authority was created a few months ago and has not begun its work. The Southern Province Directorate has followed up on the implementation of sewage and water networks. To my knowledge, this directorate has studies on water networks covering Khamis Mushayt, Abha and some other cities and these studies may be on their way to be offered or may have been offered for implementation bids.

'Abdallah al-Musa'id: Insofar as Abha network is concerned, the fact is that the network for the old quarters of Abha was built 7 years ago but it has not been put to use yet. The main reason is that Abha relies on the dam alone for its water source and that there are no other sources. If water is pumped from the dam to the network, it will be consumed in a very short time. A decision has been made not to pump water into the network until desalinated water is delivered. This is why a purification plant has been built on the dam. Water is distributed by tanker trucks according to consumption for purely economic reasons. Therefore, Abha will, for long years to come, totally rely on the dam water and on the rainwater collected in the dam basin.

[Question] Mr 'Abdallah al-Husayn, let us return to your relationship with the electricity companies and to the issue of water tariff. How does this relationship with the electricity companies go, I mean financially?

[Al-Husayn] The power produced is delivered to the high-pressure distribution networks belonging to the electricity companies. They are charged a nearly symbolic price. To serve the electricity companies' interest, these companies get the electricity at a very low price. This constitutes, in fact, a part of the government subsidy for the electricity companies. This subsidy is given in the form of a product and not in cash.

As for water, it is delivered to the water projects belonging to the Ministry of Agriculture or to the water authorities.

Brother Faysal pointed out a short while ago that the cost of a cubic meter of water is 5 riyals. The fact is that the cost of a cubic meter, including the cost of operation, maintenance, and investment does not exceed 2.5 riyals at present. The cost may be less in some areas where there is no need to pump water over long distances. On the average, the cost does not exceed 2.5 riyals per cubic meter. The fact is that the cost is proportionate to the production volume. The bigger the volume produced, the (lower) the cost. This is one point. The other point is that the [desalination] authority has gained good experience in operation and maintenance and this has had a major impact on planning.

[Question] Mr Muhammad Al-'Uraynan, regarding the complaints currently voiced by Jiddah City in connection with water, are there actually existing water problems?

[Al-'Uraynan] Jiddah does not suffer from any water problems. Water used to be supplied to the various quarters daily. It is now supplied every other day. I don't believe that this is a problem because it is a must. There is, God be thanked, a desalination plant. If we feel that there is a problem --we have, of course, 6 years experience and we know that the time when there is need for water is the month of Sha'ban, and more so in the month of Ramadan. We have formulated a maintenance program on agreement and in co-ordination with them so that maintenance may be carried out in the months when the consumption drops. Jiddah now has 1,000 kilometers of connections. According to the prepared program, there will be no problem in the real sense of the world. This approach includes some sort of rationalization and is needed.

General Water Plan

[Question] How likely is it to formulate a general water plan for the kingdom, especially since we find no plan for rationalizing the citizen's consumption included in the design of the internal networks in order that there may be consumption rationalization? Besides, the waste in the high-tension networks creates a problem. In case a pipe breaks, there is a big waste of water because the consumer cannot control the water. When the pressure is high, consumption and waste increase.

A final point regarding the Sudayr water project, what is the news of this project so far?

['Abdallah al-Musa'id] First, regarding the presence of a water plan. I believe that a plan has been issued and that this plan is the water preservation law which was issued in 1396 of the Hegira and which spells out the responsibilities of the Ministry of Agriculture and Water and defines the rights of others to water use, stating that no source may be utilized and no well may be drilled without a license from the Ministry of Agriculture and Water. This is a law that regulates the method of water use.

The other point concerns the formulation of a water plan. The ministry has conducted studies and formulated a water plan. But we must first understand

that a water plan does not occur overnight. In Germany, the water plan has taken 100 years to materialize. I don't expect a plan in the true and complete sense to be formulated overnight, else such a plan will be a deficient plan that does not meet with and is incompatible with our development and our future plans. We must take advantage of the experiences of others and must fully study our resources and the future requirements of our long-range development plans and must then formulate the future water plan. I believe that this is the Ministry of Agriculture and Water's principle. This ministry has not issued a deficient short-term plan that may be inapplicable. First, there is the Islamic Shari'a which the kingdom embraces and which gives the right of utilization in legal ways. The state has issued laws and has implemented them actively. Whoever violates these laws is fined. There is response from the citizens and there are penalties. There has to be encouragement and intimidation and there have to be penalties in order that the law may rule. This is insofar as water preservation is concerned.

As for the high-pressure networks, I believe that they have to be built. If I want to formulate a water rationalization plan, want to establish a periodic system and want to divide Riyadh, for example, into three sections, then how can I convey water to the remote parts of the network if there is no high pressure in the network to deliver the water? I believe that this high pressure is needed and inevitable in order that water may be pumped to a certain area for 12 hours, 24 hours, or 36 hours in order that the citizen may get enough water and in order that one may then cut off the water to the citizen for a certain number of hours or days, depending on one's plan, resources, and consumption. What is important is that the citizen be given his right undiminished, with the citizen preserving this water in his tank until he gets his next turn.

Regarding the Sudayr project, the ministry has embarked on a unique experiment embodied in the comprehensive projects. Nearly 5 or 6 years ago, we implemented the major al-Washm project which covers a number of cities and villages. We learned from this experience how to save astronomical sums of money in operation, maintenance, and labor. Our country imports labor because God, may He be praised, has blessed us with wealth and because we have the money. We find that we are in the direst need to import labor from outside the Kingdom and that we have to rely on this labor for long periods of time. We must plan in the training centers. I believe that the best example in this regard is what the Water Desalination Authority has done. The authority has a training center where there are more than 1,000 trainees being trained on various skills. There is coordination between the Ministry of Agriculture and Water and the Public Desalination Authority to train a number of technicians. Our country is now approaching a severe shortage of labor and we want to have [our own] manpower, but not thousands of Ph.D. or M.A. holders or professors. I believe that thousands of people should be working under one Ph.D. holder in order to carry out the plans formulated by this academician, leader, minister, or somebody similar. I need thousands of ordinary technicians, electricians, mechanics, plumbers, or carpenters. I need craftsmen. Al-Washm project which we built supplies a number of cities and villages from a single source and a single reservoir. Consequently, we have saved a lot in labor, in pumps, in machinery, in maintenance,

and in safety features. The source has become a single source and if one, two, or five wells break down, such breakage will have no impact. I can now carry out the maintenance, operation, and management activities without any inconvenience experienced by the citizen. But if each village had one or two wells and one storage tank and if a well went out of order, then water supply to the citizens would be interrupted. This is what we want to avoid. The second operation has been carried out in Sudayr. The Sudayr project will supply 62 cities and villages from a single source, according to the first plan. The main and subsidiary networks and the reservoirs have been built. The purification plants are under construction. I pointed out a short while ago that our projects are complete and include complete purification plants. Should, God forbid, the desalinated water supplies to be interrupted, we would not be affected. God willing, our projects will be complete and capable of meeting the immediate needs without any shortage. The 'Afif and al-Dawami project covers 42 towns and villages. There is also the project for Nafa and the neighboring villages and there are the purification plants in al-Qasim. There will be a plant for al-Rass, al-Bada'i, al'Abdali, and some villages. There is another plant for al-Bakiriyah, al-Khabra', al-Shayhiyah, Riyad al-Khadra', and Naqil al-Sahabin and a plant for 'Unayzah, al-Bada'i, al-Rawghani, al-Wadi, and a number of other neighboring villages. There is a plant in Buraydah and there will be a plant in Al-Asyaj in the near future, God willing. In all these projects, the state's view of the distant future has been taken into consideration so that we may save large sums of money, may save in labor, and may be able to manage and operate these major projects in the future with our intrinsic efforts, God willing.

1. Al-Jubayl-Riyadh-Sudayr-al-Washm-al-Zulfi-al-Qasim water pipeline and the pumping plants attached to it: The total value of the contracts concluded for the project so far is 2,735,378,418 riyals.

Contracts not concluded yet:

A. The contract to manufacture and deliver the pumping plants for al-Qasim pipeline: 67,265,954 riyals.

B. The contract to install the sensor pumps and the civilian work pertaining to them and to carry out the electrical and mechanical work: 98,384,420 riyals.

Total: 2,901.028,792 riyals.

2. Project to desalinate water and supply it to Mecca and al-Ta'if:

A. The total value of the contracts concluded for the project so far is 4,646,132,447 riyals.

Contracts not concluded yet:

A. Contract for first part of the residential complex: 72,830,268 riyals.

B. Contract for the second part of the residential complex: 190,806,849 riyals.

Total: 4,909,769,564 riyals.

3. Project to desalinate water and supply it to 'Asir area:

Total value of contracts concluded for the project so far is 2,414,197,000 riyals.

Contracts not concluded yet:

A. Contract for second part of residential complex: 74,427,397 riyals.

B. Contract for third part of residential complex: 124,670,456 riyals.

Total: 2,613,294,853 riyals.

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CSO: 4404/363

SYRIA

SENIOR OFFICERS LINKED WITH DOMESTIC ESPIONAGE CRISIS

Jerusalem AL-BAYADIR AL-SIYASI in Arabic 21 Jun 86 p 21

[Article: "Spy Stations around the Syrian Cities: Accusations against Innocent People and the Coverup of Criminals: A Crisis between Moscow and Damascus"]

[Text] There have been intensified statements, dismissals and trials concerning the Syrian military system, a system which it has recently been proved is penetrated because of its senior commanders' connection to hostile intelligence agencies. What is now going on in Damascus has provoked the anxiety of the Soviet command, which has expressed its disgust at this connection and the threat that entails to Soviet technology and the activity of the Soviet advisors, especially since this command has repeatedly warned the Syrian regime of the possibility that some senior officers in the Syrian army and within the staff might be implicated.

This is not the first time suspicious ties with foreign intelligence agencies have been revealed in the case of Syrian military figures who are figures in the regime, but this time fingers of accusation have been pointed at more than 60 officers, including seven of high rank, and people who are proteges of the ruling regime in Damascus. Therefore, this regime is trying to make others bear the responsibility for this blatant disturbance.

This event was recently revealed when the presence of a number of electronic spy stations whose number has not yet been determined was disclosed. They had been planted among dirt and stone mounds around a number of major Syrian cities, especially the capital, Damascus. These stations were planted 5 years ago and performed the mission of spying on all telecommunications conversations over the past period. They were discovered by chance when it became apparent to a shepherd sitting on one of these mounds in the Dar'a area, in the course of hitting a rock, that the sound produced by the pounding of the stick gave an echo similar to that of drumming on iron, leading him to be more interested in investigating this strange body, which had been painted the color of the rocks and soil. He found that he was facing a strange iron box the size of an 11-foot refrigerator. He went to the nearest camp. When it was removed by a bulldozer, it exploded and the bulldozer operator was killed after trying to remove the strange body. This explosion

created a climate of astonishment in the al-Suwayda' area command and the Syrian army command, which summoned the staff of the area to conduct an investigation into these strange bodies without referring to the office of the chief of staff in Damascus and committing itself to instructions it had previously issued 6 years before following the discovery of small electronic bodies in these areas -- the attempt to unearth which caused their explosion and the injury of a number of army officers and soldiers in the areas of al-Suwayda' and al-Nabak at that time.

In the course of a month of comprehensive topographic surveys by Soviet experts of a large number of mounds surrounding the main Syrian cities, in particular Damascus, a group of these apparatuses were discovered, and the Syrian command was subject to severe criticism by the Soviet experts as a result of "deficiencies in prevention" in military and security matters and the presence of extensive integrated systems Mossad had built in Syrian agencies and Syrian army commands.

The Syrian command immediately started carrying out a pro forma investigation and thus sought to impose the charge of making contacts on a number of honorable officers, covering up other officers who had an actual connection with Mossad. Had they been investigated in a serious, sound manner, the involvement of a number of senior officials would have been discovered. Therefore some officers were charged and put in prison to cover the real culprits. High-level sources in Damascus describe a silent crisis between Damascus and Moscow over this incident, which has harmed Soviet strategy.

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CSO: 4404/393

SYRIA

BRIEFS

THERMAL POWER PLANT--International companies have been invited to bid for construction of a petroleum coke-fired 120-MW power station at Jandar, south of Homs. Client is the Public Establishment for Electricity, which will evaluate the offers with the consultant, Sofrelec of France. Closing date is 21 October (see Tenders). The project entails the turnkey supply of two 60-MW units, and a 230-kV substation to connect the station to the national grid. Civil works prices must be submitted separately--the client is reserving the right to exclude the civils portion when it awards the contract. Bidders have been asked to submit two financing options, one based on the client raising the finance, the other on the supplier arranging the funds. The first unit and the substation are for completion in 32 months, the second unit in 36 months. The number of potential bidders is low because only a few international firms manufacture boilers suitable for petroleum coke, industry observers say. The coke will be supplied from the Homs refinery complex. [Text] [London MEED in English 2 Aug 86 p 25] /13046

BANIAS POWER WORK--International consultants were to submit bids by 31 July for a contract to supervise construction of the Baniyas power station extension. The 340-MW extension is to be built by a Japanese consortium led by Mitsubishi Heavy Industries, according to a \$200 million contract to be signed formally in the next few weeks. Client is the Public Establishment of Electricity (MEED 28:6:86). Bidders for the supervision job are expected to include: Switzerland's Electrowatt Engineering Services; Kennedy & Donkin of the UK; Lahmeyer and Fichtner, both of West Germany; France's Sofrelec; Yugoslavia's Energoinvest, and Finland's IVO Consulting Engineers, with Switzerland's Societe Generale pour l'Industrie (SGI). Lahmeyer worked as consultant on the tendering and bid evaluation stages. The prospective bidders for the Baniyas contract also submitted offers in mid-1985 for construction supervision of the 400-MW Tishrin power station in Damascus. However, the electricity authority has yet to reach a decision about this job. Tishrin is to be built by the Soviet Union's Technopromexport and the local Military Housing Establishment (Milihouse--MEED 9:11:85). [Text] [London MEED in English 2 Aug 86 pp 25, 26] /13046

APPROVAL OF 1986 BUDGET--The people's assembly has approved the 1986 budget without changes from the draft read out by Finance Minister Qahtan Sioufi on 15 July. Total spending is up by 2 per cent, to LSyr 43,800 million (11,200 million), from 1985's LSyr 42,984 million (\$11,000 million). The largest

item is defence, which, at £Syr 13,000 million (\$3,640 million), accounts for 31 per cent of total expenditure and 55 per cent of current spending. Details of the spending breakdown, revenues, and gross and net deficits have yet to be disclosed. Sioufi indicated that the deficit will be lower than in 1985 (MEED 19:7:86). [Text] [London MEED in English 2 Aug 86 p 26] /13046

CSO: 4400/246

AFGHANISTAN

GUERRILLA LEADERS' TALKS WITH WEST DENOUNCED

Tehran TEHRAN TIMES in English 29 Jun 86 p 1

[Text]

QOM, Central Prov. (IRNA) — Afghan Nasr Organization yesterday condemned recent meetings between several Afghan leaders and U.S. and French heads of states.

In a communique issued here the organization called on the "committed and revolutionary Moslems of Afghanistan to continue their struggle and drive away the compromising, weak and hegemonist elements from their ranks."

The Afghan issue cannot be solved through so-called international games and Afghan's Islamic Jihad (Holy War) does not need to be recognized by the U.S. and French governments or the United Nations in order to achieve victory, it added.

The Islamic Republic of Iran supports the campaign of Afghan Moslems against the Soviet occupying forces and calls for establishment of an independent Islamic government in that country. Several independent Afghan Moslem groups have representatives in Iran.

International imperialism

has recently mounted futile efforts concerning the fate of the Moslem people of Afghanistan who have suffered more than one million martyrs and five millions of refugees in their seven years of struggle against the Soviet Occupying Forces, Nasr said.

Meanwhile, an Afghan family that arrived in Britain seven months ago seeking political asylum has been told by the British authorities they must leave.

Noor Ahmad and his wife and four children, the youngest three years old, were told they should return to Pakistan where they are registered as refugees.

The Islamic Alliance of Afghan Mujahedeen here have protested against the British home office decision saying the family should be given the right to stay in this country because they do qualify as political refugees.

The member of Parliament of the area where Noor Ahmad is currently staying has asked the government to revoke the deportation order.

/9317
CSO: 4600/417

AFGHANISTAN

TRADE UNION CHAIRMAN COMMENTS ON MOVEMENT'S DIRECTION

LD052124 Moscow Domestic Service in Russian 1700 GMT 5 Jul 86

[Statement by Abdol Satar Pordeli, chairman of the Afghan Central Council of Trade Unions, on the trade union movement in Afghanistan made to Moscow radio correspondent Nikolay Lutsenko in Moscow; date not given--recorded in vernacular with superimposed Russian translation]

[Text] The work of Afghan trade unions is currently concentrated on two main directions. First there is the struggle against the dushman bands and the defense of the achievements of the April revolution. Our trade unions are helping to ensure the security of production enterprises and various state establishments. More than 23,000 trade union activists make up the numbers of special teams in our country that create the conditions for the normal work of 342 industrial enterprises. We send the best members of trade unions to serve in the armed forces that defend our homeland from external enemies and internal reactionaries. I want to note that some of our activists have died heroically in the struggle with the bands.

The second direction in the work of Afghanistan's trade unions is the tireless work to strengthen our economy. The present workers understand perfectly well that raising living standards is directly connected with increasing their activity and labor return. We use the rich experience of Soviet comrades in organizing socialist competition.

The first 5-year-plan since the revolution, was recently adopted in Afghanistan. We are devoting great attention to the construction of housing, health, protection and to improving working conditions for industrial, office and professional workers. The elaboration of a draft law on labor is now in the final stage and soon this matter will be reflected in the republic's constitution. As you know there is a large percentage of illiteracy in our country, which is also a great task for the trade unions. I want to stress that in all the areas of our work we feel the fraternal assistance of Soviet people, of internationalist fighters, our comrades in the AUCCTU, teachers, doctors, workers and all who are unselfishly and selflessly helping the Afghan people to build a new life.

/12766

CSO: 1807/340

BANGLADESH

BRIEFS

ACTING SPEAKER INSTALLED--Mr. Md. Shamsul Huda Chowdhury who has been elected as a Member of Parliament from Constituency No. 153 Mymensingh-5, in the general election held on May 7 1986, has taken oath as a Member of Parliament before the Chief Election Commissioner Mr. Justice Chowdhury A.T.M. Masud, in his office chamber in Dhaka on Monday an Election Commission Press release said reports BSS. The oath was administered by the Chief Election Commissioner, having been designated by the President for the purpose in terms of Clause (G) of Paragraph 2 of the Constitution (Partial Revival) Order, 1984. Mr. Md Shamsul Huda Chowdhury was earlier nominated by the President to act as Speaker of Parliament until a Speaker elected by Parliament enters upon his office. The oath-taking ceremony was attended by the Election Commissioner, Mr. Abdul Momith Chaudhury, some Members of Parliament, Secretary, Election Commission Secretariat, Secretary, Parliament Secretariat and other high officials of both the Secretariats. [Text] [Dhaka THE BANGLADESH TIMES in English 1 Jul 86 p 1] /13046

PARLIAMENT OFFICIALS' STATUS--In partial modification of the warrant of precedence, the Government has determined the rank and precedence of the Chief Whip, Deputy Speaker and Leader of the Opposition in Parliament along with the rank and precedence of cabinet ministers and the Deputy Leader of the Opposition and whip with the ministers of state. The Government in partial modification of the Bangladesh Flag Rules, 1972 has also allowed the Chief Whip, Deputy Speaker and leader of the opposition in Parliament to fly the Bangladesh flag in their official residences, motor cars and vessels. These modification will come into force with immediate effect. [Text] [Dhaka THE NEW NATION in English 27 Jun 86 p 1] /13046

NEW JAPANESE GRANT--Bangladesh will receive a grant of approximately Taka 57 crore (3.8 billion yen) from Japan under an exchange of notes signed between the two countries in Dhaka yesterday, an External Resources Division press release said, reports BSS. The grant made available under Kennedy Round programme will be utilised for purchase of agricultural inputs such as fertilizer, spare parts for deep tubewells, shallow tubewells and low lift pumps, pesticides insecticides, trucks, floating pumps and irrigation pumps. The grant will be utilised by the Bangladesh Agricultural Development Corporation, Bangladesh Water Development Board, Ministry of Food and Directorate of Plant Protection. Grant under Kennedy Round II programme is extended by Japan mostly to the least developed countries for supporting their efforts for increasing food production. Bangladesh has so far received (including the present grant) Taka 278.23 crore (27.225 billion yen) under

the programme. Japan is at present the largest bilateral donor to Bangladesh on the basis of annual aid flow. It has been maintaining a steady level of aid to Bangladesh and with the signing of today's exchange of notes the total grant assistance extended to Bangladesh since 1297 will amount to approximately Taka 1181.20 crore. In addition Japan extended loan assistance to Bangladesh approximately Taka 3098.33 crore since 1274. The exchange of notes was signed by Mr. Akhtar Ali, Joint Secretary of the External Resources Division and Mr. Yoshitomo Tanaka, Ambassador of Japan on behalf of their respective countries. [Text] [Dhaka THE NEW NATION in English 27 Jun 86 pp 1, 8] /13046

CSO: 4600/1931

INDIA

PRESS REPORTS DEVELOPMENTS IN INDO-SOVIET COOPERATION

Computers, Equipment

New Delhi PATRIOT in English 8 Jul 86 p 9

[Article by Tapan Das]

[Text]

The stage has been set for a quantum jump in cooperation between India and the Soviet Union in the field of computers and computer-related equipment.

The Soviet Union, it is learnt, has shown keen interest in a number of Indian products including, floppy discs, floppy drives, 11-metre antennae, computer software, ultrasonic medical equipment, milk analysers and electronic guns.

India, on the other hand, is negotiating to acquire certain sophisticated Soviet computers like EC-1035, EC-1601 and EC-1066 which have already earned a high reputation in the international market.

Some of these are already being installed by the State-owned ONGC. What appears to be attractive to the Government is that the Soviets have placed no restrictions on the end-use of the computers. In due course there also expected to be a complete transfer of Soviet technology in this field to India.

Joint work: An agreement has already been signed between the two countries in March last which envisages Indian purchase from Soviet Union worth Rs 62 crore, while the USSR is expected to import Indian computer goods worth Rs 167 crore. The agreement

also provides for joint designing and production of computer for personal and professional use as also for exports to third countries.

Production of school computer programmes is also on the anvil in which the two countries will collaborate with France which has considerable experience in this field.

From India's point of view, the agreement is likely to provide an impetus to the country's nascent computer and electronics industry as it will manufacture and supply to the USSR peripheral devices and specialised software packages.

Satisfied: There are some other Soviet computers that India have been using with satisfaction like the BESM-6, Elbrus-2 and EC-1035 that were installed over a decade ago, among other places, at the Bhabha Atomic Research Centre. These computers were unique in the sense that they followed the ordinary English language, thereby, minimising mistakes.

Concerned circles in India are aware that though the USSR lags behind countries like Japan and the US in the extensive use of computers, the Soviets have made significant headway in designing cer-

tain sophisticated computers, such as the PS-2000.

The batch production of this computer has begun in the Soviet Union. It is said to be able to perform 200 million operations per second and is equipped with special processor managers which perform functions of control and organisation of data processing.

Wonder machine: The range of jobs that the PS-2000 can perform range from weather forecast, prediction of a patient's health after an operation, determine the wing behaviour of a plane that is still in the design stage to oil exploration up to a depth of six kilometres.

Compared to the same generation US computer 'Ciber 73' which takes close to two hours to survey 25-sq km, the PS-2000 does it in less than 10 minutes. Moreover, this wonder computer is \$ 9,50,000 less expensive than the 'Ciber 73' generation US and Japanese computers.

Underscoring the attractiveness of the Soviet equipment is the rupee trade arrangement that the country has with the USSR. Specially in view of the current foreign exchange crunch, this is likely to weigh significantly in favour of the Soviet equipment.

Indo-Soviet Working Group

Bombay THE TIMES OF INDIA in English 13 Jul 86 p 7

[Text] Moscow, July 12 (PTI)--The Soviet Union has evinced interest in co-operation with India in the energy sector, especially the establishment of new thermal power stations and the harnessing of the hydroelectric potential of some of the major Indian rivers.

The Indo-Soviet working group, meeting here from July 7 to July 11, considered in this context the Bakreshwer thermal power project (three units of 210 MW each), the second phase of the Vindhyachal thermal power station (two units of 500 MW each), the Tehri hydroelectric project (four units of 250 MW each) and the design of extra-high voltage transmission in Jammu and Kashmir, Mr Suri, the Moscow representative of the Bharat Heavy Electricals Ltd, told PTI today.

Mr M.M. Kohli, secretary in the department of power and Mr Nicolae Lop Tin, Soviet deputy minister of power and electrification, led their delegations to the meeting.

Indian Facilities

The Soviets agreed at the meeting to consider the possibility of using Indian facilities for the manufacture and supply of power equipment to the USSR and to third countries where this was of mutual advantage. This would also help BHEL utilise its capacity better.

Mr Kohli sought Soviet assistance in renovating the older thermal plants in India and suggested a long-term programme for training Indian engineers in the USSR in thermal and hydel power plants operation and maintenance.

The working group reviewed the progress of the Vindhyachal thermal power project involving the establishment of six units of 210 MW each and the associated 400 KV transmission line. The first unit will be commissioned in June next year and the other units at six monthly intervals.

The Soviets said their project report on the Pahalgam thermal power station (four units of 210 MW each to meet the power needs of Eastern India) would be ready in December.

/9317

CSO: 4600/1950

INDIA

PACT TO AVOID DUAL TAXATION SIGNED WITH THAILAND

Calcutta THE TELEGRAPH in English 30 Jun 86 p 8

[Text]

New Delhi, June 29: India has entered into a convention with Thailand for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. The convention and the memorandum of understanding will be effective in India for income derived for any accounting year beginning on or after January 1, 1987.

Under this convention, business profits of an enterprise of one country shall be taxable in the other country only if it maintains a permanent establishment like a branch, office, factory or place of management in that other country. It has also been provided in the convention that in the determination of profits of a permanent establishment, all reasonable expenses, wherever incurred, would be allowed as deductions. Thus, Indian enterprises operating in Thailand having a permanent establishment there would be able to claim deduction for all expenses attributable to the permanent establishment, even if some of the expenses are incurred in India.

It has been agreed that aircraft profits would be completely exempt in the country of source and shall be taxable only by the country of residence of the enterprise. As regards shipping profits, it has been agreed that the tax chargeable in the country of source shall be reduced by an amount equal to 50 per cent thereof. With regard to dividends, interest and royalties, primary right to tax these incomes has been given in the country of residence. The country of source will limit its tax on these incomes to certain specified percentages, for example, tax in the country of source in the case of income by way of royalties shall not exceed 15 per cent of the gross amount of such royalties.

Under the convention, double taxation on income shall be avoided by the credit method, according to which the country of residence will allow credit for the taxes paid in the country of source against its own taxes. It has also been agreed that the country of residence will allow credit for the taxes spared in the country of source.

/13046
CSO: 4600/1925

INDIA

SOMALIA'S INDUSTRIES MINISTER, DELEGATION BEGIN VISIT

Calcutta THE TELEGRAPH in English 11 Jul 86 p 9

[Text]

Madras, July 10 (PTI): Somalia is eager to receive technical assistance and expertise from India in the fields of industry and agriculture, Maj. Gen. Abadala Mohammed Faadil, Industries Minister of Somalia, has said.

"We want to have some collaboration with Indian industries in the fields of leather, paper and glass and are willing to set up joint ventures in our country," he told newsmen after a visit to a 100 per cent export oriented granite unit, a flask manufacturing factory and a leather unit in the city.

Maj. Gen. Faadil, who is heading a five-member delegation from Somalia, said the main purpose of his five-day visit to India was to visit various industries and discuss with top industrialists "ways and means" for get-

ting cooperation mainly in the industrial field.

The delegation, which arrived in Delhi on Tuesday will visit Bangalore and Bombay in the next three days.

Maj. Gen. Faadil said Somalia, a small African country, had very large deposits of granites. Already a joint venture company with Italian collaboration was functioning in the country. In the granite field, Somalia was interested in entering into a collaboration with India for cutting and polishing granite stones.

During the delegation's last visit to India, it had placed orders for 20 sugarcane crushing units. "Now we want to import machinery from India for paper, plastic and glass factories," he said.

Maj. Gen. Faadil felt the granite unit in Madras was most modern.

/9317

CSO: 4600/1958

INDIA

PARLIAMENT DISCUSSES DRAFT MINERAL POLICY

New Delhi PATRIOT in English 29 Jun 86 p 5

[Text]

India's first ever mineral policy draft seeks commanding position for the public sector in mining operations and other mineral activities in the country.

The draft policy, which was discussed some days ago by the parliamentary consultative committee of the Steel and Mines Ministry in New Delhi, has pinpointed nine basic objectives for the country's mineral policy, covering all the minerals except coal, lignite and petroleum.

The draft seeks to ensure adequate supply of mineral-based material inputs for industry to ensure optimum use of available resources to promote necessary backward and forward linkages for a smooth and uninterrupted development of the mineral industry.

Other basic objectives include the establishment of adequate educational and training facilities for manpower development, minimising adverse effects of mineral development on environment, earning or saving foreign exchange by appropriate import substitution and ensuring the development of infrastructural facilities.

The draft policy also proposes to promote regional development, especially in backward, remote and tribal areas.

While classifying minerals into three categories, the draft

policy said that minerals which were of basic and strategic importance would continue to remain exclusively with the State.

"This, however, would not preclude the State from securing the cooperation of private enterprises in the larger interest of the State or with a view to accelerating the pace of development", the draft clarified.

This might be secured by the State through majority participation in capital or by such other measures determined from time to time.

There would be no bar to small scale mining by leasehold units to satisfy the local needs or boost production.

Aluminium, along with some other minerals would remain in the second category of minerals, the mining and processing of which will be progressively State-owned through private enterprises could be allowed to supplement the efforts of the State.

The development of minor minerals, like building stones, gravel, ordinary clay and sand would be the responsibility of the private sector. The State might also take up mining and processing of such minerals.

Under the proposed policy the Geological Survey of India (GSI) would continue to be the principal agency for the location

and regional exploration of minerals.

Survey plan: The draft policy has proposed an action-oriented plan for survey of minerals, reserves of which are just adequate or poor, in co-ordination with other national and State agencies.

Detailed exploration for scarce and strategically important minerals should be given priority by the national and State level public sector agencies through drawing up of yearly plans of action, the draft suggested.

The draft proposes an institutional frame-work to formulate and coordinate the programmes of survey, exploration and exploitation of minerals in order to avoid duplication of efforts.

A system would be developed to collect and compile information on the resource position of minerals in the major producing countries and on changing product uses.

The draft also proposes adequate and effective legal frame-work to prevent sub-optimal and unscientific mining by any sector private or public.

In order to improve the competitive edge of the national mining industry, emphasis would be placed on optimal mechanisation.

/9317

CSO: 4600/1934

INDIA

INDIA REPORTED READY TO ENTER LASER ERA

Bombay THE TIMES OF INDIA in English 1 Jul 86 p 7

[Text]

NEW DELHI, June 30 (UNI).

INDIA is poised to enter a new era in the use of laser which has become a versatile tool in a wide array of fields, including medicine, communication, remote sensing and air pollution.

More than 90 research institutions and universities are conducting experimental and theoretical studies on various aspects of laser technology. Besides, a number of private companies have started production and marketing of various types of lasers.

"At present, the 'know-how' of almost all the important lasers exists in the country," says a recent report by Dr. Shailesh K. Sehgal, laser division, Bhabha Atomic Research Centre, Bombay.

The Indian Institute of Sciences (IISc) Bangalore, BARC, Bombay, Solid State Physics Laboratory, Delhi, Indian Institute of Technology, Kanpur, and Banares Hindu University are among the main centres conducting experimental studies on lasers.

GAS LASERS

Extensive theoretical studies are being carried out at BARC and Tata Institute of Fundamental Research (TIFR), Bombay, and several other institutions.

Gas lasers are most widely used for cutting metals, telecommunication, heat treatment and navigational jobs. The more commonly known gas lasers are carbon dioxide, nitrogen, helium and argon while IIT, Kanpur, has developed prototype argon laser. IIT, Delhi is upgrading technique for laser communication and IIT, Madras, is

making feasibility studies on 'under water' communication. IISc, Bangalore, has also been working on the transmission of laser beams through atmosphere.

Dr. P. D. Bhawalkar, head of the laser division, BARC, at a seminar on lasers pointed out that the Indian industry largely remained ignorant of the immense applications of lasers. "All the requirements of diamond dies for the entire wire industry in the country were met by just two laser drilling machines," he said.

POLLUTION STUDY

The carbon dioxide laser developed by Dr. C. K. N. Patel at Bell Laboratory in the U.S. for use in several fields has an annual estimated sale amounting to one-fourth of the total laser sales in the U.S. in 1985.

In India, BARC and PIU have done extensive work on carbon dioxide lasers. IISc Bangalore and IIT Madras have been experimenting on gas lasers for cutting polystyrene material.

Work is going on at BARC in Bombay and S.S.P. laboratory in Delhi on semiconductor or diode lasers which are compact and portable with varying energy levels to be used in pollution monitoring, photo-chemical studies and medical diagnosis.

Various kinds of solid state lasers such as neodymium and ruby lasers have been developed by the Central Glass and Ceramic Research Institute, Calcutta, IISc, Bangalore and Defence Science Laboratory, Delhi. Solid State lasers can deliver large amounts of energy in very short pulses.

/9317

CSO: 4600/1935

INDIA

KHARIF SOWING OPERATIONS BEGIN IN MANY STATES

Bombay THE TIMES OF INDIA in English 30 Jun 86 p 6

[Text]

NEW DELHI, June 29 (PTI).

WITH the timely onset of south-west monsoon in most parts of the country, kharif sowing operations are in full swing in many states, to achieve a target of 89 million tonnes of foodgrains — about the same as last year.

Even states which have been severely affected by drought, like Gujarat, Maharashtra and Karnataka, received good rainfall ever since the monsoon set in, in Kerala, on June 4 — three days behind schedule.

Following good rains so far, kharif operations, with emphasis on raising productivity and growing more oil-seeds, had just begun in Kerala, Andhra Pradesh and Tamil Nadu, were almost complete in Karnataka, and in full swing in Maharashtra, Gujarat and Bihar, a PTI survey showed.

According to a report from Lucknow, Uttar Pradesh, which had produced a record 22 million tonnes of foodgrains last year, received good rains since the onset of the monsoon there on June 25. Varanasi, Banda and Khajuraho in Deoria district had also received good rainfall.

The agriculture ministry has made all arrangements for the timely supply of fertilisers for the kharif sowings by keeping ready over 33 lakh tonnes of fertilisers, as against the anticipated demand of over 42 lakh tonnes. The government has built up stocks of fertilisers in all parts of the country so that they could be available to the farmers at a short notice.

Kerala has just begun sowing operations in Palghat district — its granary. Sowing operations in the state were delayed because the monsoon set in there four days behind schedule and remained weak for about a week.

In Tamil Nadu, however, the south-west monsoon is not of much significance, since the state, being "lee-ward", gets hardly 30 per cent of its annual rainfall from it. Even then, the state so far has received inadequate rains.

This is a matter of concern for the state as its rice bowl of Thanjavur delta is still not receiving water from the Mettur reservoir. Normally, water is let in from the reservoir on June 12, when the storage amounts to at least 20 TMCFT. At present, it has only a meagre 4.5 TMCFT of water.

The early onset of monsoon in Karnataka, which was hit by drought for the fourth consecutive year last year, has rekindled the hopes of the farmers and the government for a good kharif harvest.

Sowing operations began in the first week of June and had been completed in 78 per cent of the 1.14 crore kharif area. The state government had, by the second week of June, distributed 12,000 quintals of seeds worth Rs. 5.11 crore to small and marginal farmers under the mini-kit programme. Besides, 16,760 quintals of seeds had been supplied by the Karnataka Seeds Corporation to the farmers.

In Andhra Pradesh, the monsoon has been satisfactory so far. It broke out in the state on June 16 and the rainfall has been satisfactory till date in the three regions of Telangana, Rayalseema and coastal Andhra.

Sowing had already begun in most parts of the state, utilising stored water, particularly in the Nagarjunasagar dam area, Srisailem dam and coastal Andhra districts.

In Maharashtra, monsoon has been normal in most parts of the state including the drought-prone areas.

Kharif sowing is in full swing in the Deccan region and parts of Maharashtra region.

Detailed reports of kharif sowing are still awaited. Till June 22, four per cent of the area was sown and the operation is in progress in almost all districts of the state.

SOWING IN GOA

Delayed rains in Goa have led to sowing in all types of low-lying areas and this has helped farmers. Farmers have taken up ploughing on a large scale all over Goa.

Though the delayed monsoon has not covered up its backlog, the weather office has expressed the hope that rainfall would be normal.

The agriculture department has decided to bring about 32,000 hectares of paddy crop under high-yielding variety.

In Gujarat, with the arrival of heavy rains in most parts of the state last week, kharif sowing is in full swing.

Saurashtra and Kutch regions, which were severely affected by the drought, had received sufficient rains. But about five talukas of Kutch had received only 50 MM of rains, which was reportedly inadequate for sowing.

Four talukas in Mehsana district and eight talukas of Banaskantha district had also received less than 50 MM of rain, which was inadequate for sowing.

In Bihar, timely rains almost all over the state have boosted the morale of farmers, and the government hopes to meet the kharif target of 81 lakh tonnes of foodgrains if every thing goes right.

/13046

CSO: 4600/1922

INDIA

TIMES PUBLISHER DENIES CAMPAIGN AGAINST PRESIDENT

Bombay THE TIMES OF INDIA in English 28 Jun 86 p 9

[Text]

THERE has been no attempt from the Prime Minister, his office or the Congress party to stop or rein "The Times of India" from writing against the Prime Minister or his policies nor has the newspaper been carrying on a campaign against the Prime Minister.

This was categorically stated by Mr. Ashok Jain, chairman of the board of the Bennett Coleman and Company, the publishers of "The Times of India" group of publications, in a candid interview with Mr. Pritish Nandy, editor of the group's "The Illustrated Weekly of India."

The interview sets at rest the rumour that the newspaper's editor, Mr. Girilal Jain, was being forced out because he was too critical of the Prime Minister, Mr. Rajiv Gandhi. The Magsaysay award winner, Mr. Arun Shourie has been appointed not to displace Mr. Girilal Jain but to "bring in the kind of inputs we like to add to the newspaper," Mr. Ashok Jain said.

Availing that Mr. Rajiv Gandhi was the best bet for the country, Mr. Ashok Jain said Mr. Girilal Jain sees some shortcomings in the Prime Minister's style of functioning. "He feels that if some changes are made in his policies it would be in the best interest of the country. It is only in that context he is advising Mr. Gandhi to make some changes," Mr. Ashok Jain said.

When the Punjab accord was signed, Mr. Girilal Jain had reservations about the success of the accord. Subsequent events had shown that the doubts he had expressed had in fact proved to be substantially correct.

Stating that his views did not coincide with those of the editor's on many issues, Mr. Ashok Jain said he felt that Mr. Rajiv Gandhi was making a sincere, honest attempt to take the country forward, particularly in fields relat-

ing to education, employment, technology, and economic policies.

Agreeing with Mr. Girilal Jain's criticism of the finance minister, Mr. V. P. Singh ordering tax raids on business community, Mr. Ashok Jain said Mr. Girilal Jain had rightly opposed the so-called tax raids although his expression — "state terrorism" — was not entirely appropriate.

Better tax compliance, or increased revenue, had come primarily from the reduction of tax rates and not from tax raids. These had only led to fear psychosis. They had done more harm than good.

EDITORS FREE

Mr. Ashok Jain also denied that Mr. Girilal Jain's frontal attack on the government was at his instance because of the way the Rohas affair went. He said his editors were not "puppets" in his hands. They were famous, credible people. On many issues they had taken diametrically opposite views.

Referring to the controversial letter by Mr. Samir Jain, joint managing director of the company, Mr. Ashok Jain said his son was interested in improving the newspaper and setting new standards of excellence in all areas of functioning.

He said Samir had never any intention of tampering with the freedom the group's editors had traditionally enjoyed. Some people, however, felt threatened by his new ideas and deliberately created misunderstandings.

He also denied that senior editorial people in "The Times of India" were quitting en masse. Only Mr. Inder Malhotra, the newspaper's resident editor in Delhi, had left to start a syndicated column to which his newspaper would be subscribing.

INDIA

BRIEFS

FORMER MINISTER DIES--Lucknow, June 27 (UNI): The former UP minister, Mr. Ram Singh Khanna, died after a protracted illness at the Balrampur hospital here this morning. He was 68. He is survived by two daughters. Born in 1918, Mr. Khanna was a veteran freedom-fighter and prominent social and political worker. Mr. Khanna was elected to the vidhan sadha for the first time in 1969, and was a minister in the Charan Singh cabinet. In 1970, he joined the Kamlapati Tripathi ministry. On his re-election in 1980, he joined the Vishwanath Pratap Singh cabinet as a minister. He was also associated with several social and educational institutions. [Text] [Bombay THE TIMES OF INDIA in English 28 Jun 86 p 7] /13046

JANATA IN KARNATAKA--Bangalore, June 23: The ruling Janata party today made a clean sweep of all the four seats in the biennial election to the legislative council from the Graduates' and Teachers' constituencies, enabling it to have the majority in the house for the first time since 1983. In the process, it wrested two seats from the Congress, trouncing convincingly Mr. A.K. Subbaiah, a veteran in the legislative council, and Mr. B.K. Gudadinni. [Text] [Bombay THE TIMES OF INDIA in English 24 Jun 86 p 1] /13046

CSO: 4600/1926

IRAN

TECHNO-CULTURAL COOPERATION WITH SYRIA TO EXPAND

Tehran KEYHAN in Persian 30 Jun 86 p 1

[Text] The deputy foreign minister for cultural and consular affairs yesterday discussed the cultural relations of the Islamic Republic of Iran with Syria, Ethiopia and Sudan.

Javad Mansuri, who has recently returned from a trip to these three countries, in a press interview talked about the results of his travel. He said that according to the program which has been signed with the government of Syria, both countries will expand their cooperations in the area of tourism and exchange of techno-cultural fields.

Javad Mansuri went on to add: These trips have taken place within the framework of a diplomatic move of our country and for the purpose of an exchange of opinion with the leaders of the three countries regarding the issues which are of interest to all and also the meeting of the non-aligned movement.

He further added: This program will be executed in the next three years and consists of chapters of cooperation in the areas of training, arts, research, industry and agriculture. Likewise, according to this program both countries have agreed to expand their tourist industry, including the trip of Iranian pilgrims to the holy shrines in Syria and vice versa.

According to this program, Iranian travellers will be able to travel to Syria by caravan or on their own, making use of the suitable accommodations provided by Syria.

Thereafter, deputy foreign minister pointed to the aids provided by the Islamic Republic of Iran to famine-stricken countries of Africa such as Ethiopia.

As regards his trip to Sudan, the change of government and the new approach by Sudan towards international issues after the removal of Jaafar Nimeiri, he said: During the reign in office of Nimeiri, relations between the two countries were severed and embassies were closed in both countries; however, recently the Embassy of Islamic Republic of Iran has reopened in Khartoum.

Similarly, according to a statement by the Sudanese prime minister that country's embassy in Tehran will soon be reopened.

12719

CSO: 4640/401

IRAN

AGRICULTURE MINISTRY AUTHORITY FOR DESIGNATING BARREN LANDS

Tehran JOMHURI-YE ESLAMI in Persian 15 Jun 86 p 11

[Excerpts] Ratifications of the Majlis

On the agenda of the Thursday session, the discussion about the bill on the authority to designate barren lands and the voiding of deeds was continued, and following the discussion of the representatives of the Majlis and the government, the bill was ratified by the Majlis as follows in a single article with notes, with the inclusion of the proposals of the committees on judicial affairs, agriculture and housing and urban development.

Single article. All nongovernmental, official or unofficial deeds, and documents concerning barren lands (or documents concerning parts of lands which are barren) located outside the jurisdiction of cities, with the exception of lands that have been distributed by proper government authorities, are void. Such lands will be placed at the disposal of the government of the Islamic Republic of Iran, to enable steps to be taken in accordance with the regulations for agricultural and industrial production, the creation of jobs, public interest uses, and the elimination of the needs of government organizations, revolutionary institutions and city halls, as well as to create housing for and land distribution among those who have no housing. Deed registry offices are responsible for taking steps in accordance with the announcements of the land distribution committees to void their deeds and issue deeds in the name of the government of the Islamic Republic of Iran.

Note 1. The determination of barren lands outside the city limits is the responsibility of the Ministry of Agriculture, which will take steps through the seven-member committees.

Note 2. Concerning those persons involved in barren lands violations, who have taken steps without permits, in keeping with the legislative regulations and land revitalization ratified in the session on 26/1/59 [15 April 1980] by the Revolution Council, if it is determined by the seven-member committees that they do not meet the requirements, they will be evicted and their deeds will be voided.

Note 3. Ownership deeds for barren lands that are voided in accordance with this law will be considered free and debts resulting from the sale of such lands will be revoked and debts to others will be resolved through other properties of the debtor.

Note 4. If lands the deeds of which have been voided are within the village limits, they will be set aside for the public interest, for fodder or for the creation of village residential units and other services needed by the village, as the case may be.

Note 5. The implemental bylaws of this law will be prepared within two months by the Ministry of Agriculture and the central headquarters for land distribution committees and presented to the Cabinet for approval.

Note 6. From the date of the ratification of this law, all laws and regulations contrary to it shall be null and void.

After the recess, Mr Mohammad Yazdi, the deputy speaker of the Majlis, chaired the session. The legislative bill to amend Note 1 of Article 74 of the national employment law and the attachment of four notes to it were discussed in the first round, during which Mr Naseri read the text of the latter bill. According to the amendment to this law, all ministries, government companies and establishments, city halls, banks, establishments, companies, and agencies that are required to be mentioned by name to be included in the law may retire the services of official or fixed employees or those with similar titles in non-specialized occupations upon their written request and with the consent of the highest executive authority, provided they have served more than 20 years. If they have served less than 20 years, their services may be renegotiated.

Individuals whose services are renegotiated in accordance with the law will be paid an amount equal to 45 days in salary and regular benefits for every year of acceptable service (less than a year but more than six months will be considered a full year) in addition to retirement, employee insurance payment deductions and the salaries and vacation benefits that they have not used.

Then, the proposal of the committee on councils concerning more payment to such individuals was discussed. Mr Dari opposed this proposal and, referring to the limited financial resources, rejected granting any other kind of payment. Mr 'Abedi spoke in support of the proposal and, referring to the services of the employees under various conditions, emphasized more payments. Then the continuation of the discussion was postponed to the next day.

Question to the Minister

In the conclusion of the Thursday session, the question of Mr 'Ali Sheikhi, representative of Izeh, to Mr Zali, the minister of agriculture, concerning the following issues was raised.

1. For what reason were the former head of the agriculture department in Izeh, who was an expert, and conscious individuals from about 1200 villages of the region, and who was also liked by the employees of the agriculture

department, transferred to the capital of the province? During his tenure, he had no critical bureaucratic or executive problems.

2. Why have you appointed a person in his place who during his tenure in the agriculture department of Shadegan had numerous problems that even the case with the Khuzestan Justice Department his case resulted in an indictment concerning embezzlement and forging of documents?

3. Why has the suspension announcement by the first preliminary committee investigating the bureaucratic violations of the Ministry of Agriculture not been carried out so far, and why, at the present, is Mr Me'mari the director of the Izeh agriculture department?

Response of the Minister of Agriculture

Then Mr Zali, the minister of agriculture, responded to the first question of the representative of Izeh, pointing out the issue of the job security of persons and added: Mr Nikbakhsh, from 1362 [21 March 1983-20 March 1984], after 14 years of service in various areas, had requested a transfer. Of course, the reason was family obligations. Considering this issue and his specialization, his request was granted. In regards to the second question, a bill of indictment was submitted against Mr Me'mari. We are waiting for the judicial authorities to investigate the matter and we will act accordingly. However, Mr Me'mani was endorsed by the governor of Izeh, whose opinion is quite the opposite of that stated in the question. The Friday imam of Izeh and others also endorsed him. Mr Me'mari has served both in Shadegan and Izeh, on the front, and his brother was martyred in the Bayt al-Moqaddas operations. Hence, we are waiting for the bill of indictment to be clarified.

Explaining again, Mr Sheikhi referred to a part of the history of Mr Me'mani, before and after the revolution, and asked the minister of agriculture to implement the law rather than offer a recommendation.

Then Mr Zali presented a brief explanation and the above question was referred for further investigation to the committee on the investigation of questions. The Majlis will have an open session tomorrow, during which the board of directors of the Majlis will be chosen.

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CSO: 4640/421

IRAN

ECONOMIC INDICATORS SHOW IMPROVEMENT OVER PREVIOUS YEAR

Country's Exports Increasing

Tehran KEYHAN in Persian 26 Jun 86 p 2

[Text] Iran's exports in the month of Ordibehesht [21 April - 21 March] of the current year as compared to that of last year showed 13.5 percent increase in tonnage [an equivalent weight of 43,000 tons or 73.5 percent increase], with a total value of 67 million dollars.

According to IRNA, at yesterday's cabinet meeting, which was chaired by Engineer Mir Hoseyn Musavi, prime minister in a report while the minister of commerce announced the statistics of non-oil exports in the month of Ordibehesht, he also stated: During the month in question, the agricultural products with a share of 50 percent and immediately after that the industrial products with a share of 35.8 percent comprised the major non-oil export items.

At the beginning of this meeting the most important domestic and foreign events were investigated and thereafter the minister of information presented a report about his trip to the provinces of Khuzestan and Lorestan to the cabinet.

In accordance with this report the tribal chieftains and overlords who have been the main cause for the creation of insecurity, malice and insurgency in these provinces were duly identified.

In this regard, while emphasizing the programs of the Ministry of Information concerning the identification and confrontation with the causes of insecurity, the council of ministers reiterated the need for a decisive action by the responsible officials.

The ratified laws of this session of the cabinet were as follows:

1- Allocation of 20.5 million rials for defraying the operating expenditures of the Parents and Teachers Association.

2- Allocation of 40 million rials for completing 18 sports stadiums throughout the province of Kerman.

Goods, Services Index Rises

Tehran KEYHAN in Persian 28 Jun 86 p 18

[Text] Economic Service--Office of Economic Statistics of the Central Bank of the Islamic Republic of Iran published a summary report for the month of Ordibehesht 1365 [21 April - 21 May 1986] pertaining to the price index of consumer goods and services in the urban areas of the country.

According to this report the price index of consumer goods and services in the urban areas of Iran in the month of Ordibesht of the current year reached 528.6 [1353 = 100] which showed 1.6 percent increase in comparison to the previous month. As compared to the similar month of last year the price index of consumer goods and services showed an upswing of 9.5 percent. During the first two months of the current year, the median price index of consumer goods and services also rose 7.9 percent as compared to the same period of the previous year. As a result of a sharp decrease in supply, the price of fresh fruits during the month in question rose about 18 percent. This increase together with a notable raise in the price of varieties of rice was the main reason for an upswing in the price index of consumer goods and services in the urban areas, otherwise during the same month the price of other major items which were subject of study-- goods and services such as bread, meat, vegetable shortenings, price of food in restaurants and other public places, clothing, building materials, medicine and public transportation expenses all enjoyed relative stability. Additionally, the price of various kinds of cigarettes on the free market and that of fresh vegetables, particularly the price of onions which had increased considerably during past few months, had dipped noticeably below the previous month's level.

According to the same report, the price of most cereals, eggs [on the free market], fresh flowers and gold coins took a downswing, while the price of those goods which contain sugar, flour or cooking oil [such items as chocolates, Toffees, cookies, and ice-creams] all continued their upward swing. In a like fashion, the price of other goods such as imported tea and turmeric, as a result of a limited supply, also increased considerably.

Furthermore, the price of household utensils and equipment mostly showed an increase and among such items the rise in the price of electric equipment, glass and aluminum vessels was most noticeable. Similarly, in response to seasonal needs, the wages of construction laborers increased and likewise the compensation for treatment services showed a slight increase. And in the same period the upward swing of the price of some stationery items, varieties of radios and dry batteries all were considerably faster.

12719

CSO: 4640/401

IRAN

NEW REGULATIONS ON BUILDINGS, PERMITS ANNOUNCED

Tehran JOMHURI-YE ESLAMI in Persian 18 Jun 86 p 2

[Text] JOMHURI-YE ESLAMI News Desk—For the issuance of permits for the construction of buildings up to five stories, the submission of architect's drawings and accounts is no longer required. Under new regulations the supervising engineer will carefully monitor the construction of all buildings. Applicants for permits will also be provided with the new form for construction permits and sheriff's regulations, which were printed in a booklet on 1 Tir [22 June] by the 20 sheriff's districts of Tehran.

Dr Shiraziun, Tehran deputy sheriff for urban construction and architecture, who gave a press conference yesterday morning, in addition to making the above announcement, answered questions from correspondents concerning the new building construction regulations, the duties of the supervising engineer, computerization of the issuance of permits, population density in the city of Tehran, and the way in which construction permits are to be issued for those who have obtained land by previous order from a sheriff's religious magistrate.

He began by noting that henceforth the owner must apply to obtain the approval of plans and permits, and that both the supervising engineer and the owner must sign the permit.

In the past, in practice careful supervision of construction affairs was not carried out by the supervising engineer. Despite the fact that around 4,000 sheriff's department engineers were authorized to sign and supervise, only about 250 of them did 80 percent of the work, and because of this there were many problems for the sheriff's department and the people.

He added: In all countries, the allocation of credit for building construction takes up the largest percentage of gross national product, at about seven to eight percent. Keeping in mind that around 25 percent of all permits issued in the country are issued in Tehran, the percentage of gross national product which has been used as fixed construction investment in Tehran is around two percent. Clearly, if these national credits are not guided properly, they can cause disastrous new problems. For example, the average life of a building is expected to be 25 years, but in practice the life of a building is only ten to 15 years. Because of this the country has sustained many losses. Likewise, the failure to properly apply the technical principles and regulations of building construction has caused losses to the people and to national investment. As an example one might mention the collapse and consequent destruction of a newly-built three-story building with about 1,000 square meters of foundation on Martyr 'Abbaspur Street, which caused about three million rials in losses. In order to prevent these losses, first of all the people must be made to believe that the money they give to the supervising engineer will not be wasted, and that it will result in a longer useful life for their buildings. Secondly, the supervising engineers who break

laws must be dealt with. Based on Note Seven Article 100 of the Law of Sheriff's Departments, if a supervising engineer commits a violation which causes his construction permit to be sent to an authorized court, the Tehran Sheriff's Department will temporarily or permanently revoke his authorization to sign documents. In this regard, the right to sign documents has been revoked for 110 supervising engineers guilty of violations in construction matters. It is necessary to note that along with the new forms for construction permits, special forms are planned for supervising engineers. They are required to complete these forms at three stages in the construction and present them to the Sheriff's Department.

The Tehran deputy sheriff for urban construction and architecture then discussed the Tehran Sheriff's Department's future plans for the issuance of construction permits. He said:

One of the future plans for the Sheriff's Department is to computerize the issuance of construction permits. This plan is still being worked out. In computerizing the issuance of permits, an attempt will be made to eliminate repeated trips to the Sheriff's Department offices by applicants. This system will first be implemented in Tehran Sheriff's District Seven.

He was then asked a question concerning the beautification of the city and the density of buildings. He answered:

The city of Tehran has an annual natural growth rate of four percent. If we assume that this city's population is 6.5 million, it will face an annual population increase of 250,000 persons, which is itself equal to the population of one of the nation's cities. Naturally, as the population increases, they must be provided urban services such as green space, schools, hospitals, and so forth. Based on the technical principle of urban expansion, population density should be 250 persons per hectare. Unfortunately, because of wrong policies under the former regime, this level has increased to 700 persons per hectare, most of whom are lacking minimal urban resources and services. Likewise, the amount of green space per person in Tehran was nine square meters, but has now decreased to 1.5 meters. Clearly, if we add these deficiencies to the losses caused by traffic problems, which are estimated at 22 billion rials per year, we can see the need for greater attention to the proper principles of urban construction.

He then discussed the main activities that have been undertaken with regard to the increase in Tehran's population density since the triumph of the Islamic revolution. He said:

Among the tasks which have been completed since the triumph of the Islamic revolution by the Sheriff's department is the reduction in the density of buildings in southern Tehran from 250 percent to 120 percent, compared to an increase in the density of the north part of the city. Billions of tomans were invested to buy swamps and procure urban services for the people of southern Tehran. Likewise, the Tehran green belt was built, which will cover 5,000 hectares of land in southern Tehran. He added: Previously Tehran's growth went in fits and starts, but now its continuous growth all the way to Karaj is anticipated. Continuing the interview, Mr Shirazi listed the measures intended to prevent immigration into Tehran. They include the prohibition of peddling and the activities of shopkeepers, restricting building construction within the city, the enactment of an urban lands law, and a prohibition on the issuance of economic mobilization booklets to rural people living in Tehran. He discussed the issuance of building permits to those who have obtained land by previous order from a sheriff's religious magistrate. He said:

So far most of these files have been sent to the sheriff's departments in the proper districts and a plan for dividing them has been approved. Such people may report to the sheriff's office for a building permit after paying for the land and obtaining a development certificate from the Urban Lands Organization.

IRAN

BILL ON OVERTIME USE OF HIGHER INSTITUTIONS STAFF APPROVED

Tehran JOMHURI-YE ESLAMI in Persian 21 Jun 86 p 9

[Excerpt] Majlis Enactments

The Majlis agenda began with a study of the Institutions of Higher Education Overtime Bill for academic and non-academic staff (full-time program) by the Majlis Higher Education and Culture Commission. In general, this bill says:

Article One: At its discretion, the Ministry of Higher Education and Culture is authorized to assign overtime, with their agreement, to academic staff in various fields and a maximum of 50 percent of non-academic staff at universities and institutions of higher learning and research, and to pay them the maximum equivalent in wages in benefits (special overtime pay and other benefits).

Note One—Those who make use of this law may not be gainfully employed in any way at other government or non-government universities.

Note Two—The budget needed for carrying out this Article One will be estimated annually by the Ministry of Culture and Higher Education, and will be included on a separate line in the budget law with Majlis approval. A maximum of 20 percent of the budget on this line will be used to purchase equipment, buy supplies, and meet other expenses by that Ministry.

Note Three—Only ten percent in taxes will be deducted from the above payments.

Note Four—The academic disciplines covered by this Article One are to be determined by the Ministry of Culture and Higher Education.

Note Five—Academic disciplines to be covered by this Article One are those in which the particular University can increase its student capacity to at least 1.5 times its size for the 1363-1364 [1984-1985] academic year. For centers of higher education who are accepting students for the first time, the decision concerning programs will be made by the Ministry of Higher Education and Culture.

Note Six—With the approval of the Ministry of Higher Education and Culture, the universities and institutions of higher learning may enter into separate contracts with academic staff to obtain professional services, such as the operation of special clinics and consulting projects in all areas such as development, technology, industry, law, or art, and for the preparation of various designs.

Note Seven—Within three months of the date of enactment of this law the Ministry of Culture and Higher Education must prepare a set of executive guidelines for its implementation and submit it to the Council of Ministers for approval.

Mr Asrafilian, an expert on the Culture and Higher Education Commission, spoke against this bill, referring to some of the stages of instruction for professors. He said: Professors currently teach 40 hours per week and do an additional 16 hours of work, whereas under this bill we can only get four additional hours. It is therefore wrong to claim that we can accommodate more students and get more work from the professors. In terms of the budget, under the law raising salaries would be the best way to solve the problem of the professors.

Speaking as the first opponent to the bill's rejection, Mr Harati discussed the objectives which have been set for this bill, as follows:

- 1 - Raising the quality of education in the universities.
- 2 - Creating an extensive environment for research and study in the universities.
- 3 - Increasing the student capacity in the universities.

He added: We are short 127,000 personnel for the five-year educational plan, and we cannot wait, because we can make use of the 15,000 academic university staff we now have.

Mr Mehdizadeh was the first to speak in favor of rejecting the above bill. He agreed with Mr Harati's remarks, but did not consider this bill a solution. Concerning the work of full-time professors and academic staff, he said: They now work 12 hours overtime, and 16 hours have been added to that, which is the time of four professors. The duties of the professors are not only teaching. They must talk with students and do research, and if you increase the time they work quality will suffer. Professors must also guide students and manage the work of the group.

Mr Faregh was next to speak against rejecting the bill. Noting the importance of academic study, he discussed various matters, and concerning statistics on surplus students, and in support of the universities he called attention to their constructive effects and enumerated the importance of their work in medical, technical, agricultural, and basic science affairs.

Mr Savoji spoke in favor of rejecting the bill. Mentioning the five-year plan, he said: Can this ministry say that a few thousand specialists can meet the need for 250,000 personnel under the five-year plan?

This bill is not a bill to employ professors and university staff. It says that we can use academic staff who are already employed full-time by the university! Since there is no more available professor time, this bill is not a solution and does not provide manpower.

Mr Rahbari Amlashi spoke against rejecting the bill. He said: Academic staff cannot work 16 hours overtime; they can only work 10 hours overtime. Professors have also declined in numbers since before the revolution, and those of high academic quality have also declined. An associate professor starts at 8,000 tomans. Will a person with a doctoral degree teach 40 hours at this salary?

The academic staff may be given 16 hours overtime, and other staff are not covered in this law, and these two groups are not paid to teach.

Mr Purgol spoke in favor of rejecting the bill. He discussed the importance of university instruction and stressed the need to raise the quality of teaching and research. In this connection he noted the role in teaching society played by school teachers and other professions, and he considered this bill a source of discrimination in affairs. He then expressed the hope that a better way could be found to procure professors and raise the quality of university instruction.

Mr Latif Safari spoke against rejecting the bill. Comparing society's need for instruction in the universities with the university services being provided, he stressed the need for a comprehensive plan to make use of professors.

Mr Jalal ol-Din Farsi spoke in favor of rejecting the bill. He said: The way to increase capacity is to increase the number of professors. In the method proposed, nothing is added to professor manpower. He added: In the university, unlike in pre-university instruction, the primary task is the student's responsibility and the professor's role is to guide him. The professors can go the free Islamic universities and earn more. If we want to attract them to the universities, we must realize that this will harm the plans of the country's leaders and of the Imam. Teaching salaries are reported at the universities which have no outside presence. The reason is that we obtain professors who do not go outside: we pay them something, and this is a large sum. Nothing is specified with teaching salaries, therefore the aim of this bill is to increase professor salaries.

We have young Hezbollah war veterans in teaching positions, one-third of whom receive teaching salaries, and this is discrimination.

Mr Qazi'zade spoke against rejecting the bill. He discussed teaching salaries and the full-time status of professors. He stressed the necessity for enacting a bill to raise the quality of instruction. He added: Currently about 800 million toman are being spent on teacher salaries.

A commission expert then responded to opposition to rejecting the bill. In this regard he called attention to some of the shortages and material deficiencies suffered by professors. He said: This bill does not solve these problems.

Dr Sayyadi, representing the government, gave his views in a talk in which he stressed the necessity of maintaining an academic staff of the same high quality. Then the general principle of the bill was put to a vote and passed.

During this session a bill to delete Note Three from Article 10 of the Press Law was presented to the Majlis with extreme urgency. During the presentation Mr Khatemi, Minister of Islamic Guidance, provided commentary. He said: There was a problem with the implementation of the Press Law. In order to remove an obstacle to the implementation of the law, I request that you remove this vague point, which is in the law itself enacted by the the Majlis. I will read Article Ten for vote.

Article Ten specifies that in order to deal with press affairs a supervisory council is to be formed. This is the crux of the law. The supervisory council grants and revokes concessions and deals with press affairs. Without a supervisory council the Press Law absolutely cannot be implemented and has no core. The beginning of the article says that press supervisory council members who are to be Muslims with the necessary academic and ethical competence who believe in the revolution, are to include the justices from the Supreme Court chosen by the Supreme Judicial Council, with their representative as requested by us and presented by them, the Minister of Islamic Guidance with his personally chosen representative, a Majlis representative chosen by

the Majlis, and a university professor chosen by the Minister of Culture and Higher Education. These four people will be members of this council, along with a manager employed by the press and chosen by them. Our problem is that as long as the council has no press member it cannot continue to function, in view of the fact that the press is the core of the supervisory council.

This article states that the selection of this member will be done by responsible managers. It does not say what qualifications the person to be obtained should have. There must be an authority to determine whether or not the candidates chosen by the responsible managers to come here is a Muslim with the necessary academic and ethical competence, and is a peer of the other members of the supervisory council. We request that it be specified who will conduct the selection process and who will be the authority to determine competence. We propose that this be the Ministry of Islamic guidance. The Mr Savoji and Mr Harati spoke against and for the urgent amendment. A vote was then taken on the urgent amendment and it was enacted.

After a recess, a bill to form a national committee on large dams was presented to the Majlis.

Question to Minister of Culture and Higher Education

At the end of the Thursday session a question was asked of Dr Farhadi, Minister of Culture and Higher Education, by Mr Jalal ol-Din Farah, representative of the People of Tehran, on the following matters:

What is the reason for your opposition to the law establishing the Ministry of Health, Health Care, and Medical Training? You realize that at the beginning of the second Majlis session the Prime Minister made the unification of medical, health care, and health treatment training one of the goals of his government. Then he submitted the bill to establish the Ministry of Health, Health Care, and Medical Training to the Majlis, and he has very seriously pursued the implementation of the law, although you personally have opposed this law and have considered it catastrophic.

First—Why have you not conveyed your opposition to the President and the Prime Minister?

Second—After assuming the position of minister, why did you choose seven deputies who are all opposed to this law?

Third—Why did you and your deputies use the occasion and of your personal views as the medium for opposition to the law's implementation, thus disturbing the environments of the universities and your ministry to express your views and reasons to the Majlis and the government?

The Minister's Answer

Dr Farhadi then answered the above questions. He said: I spoke with the Prime Minister before the ministers were selected, and I told him I did not consider it necessary to enact a law establishing a Ministry of Health, Health Care, and Medical Training. If its purpose is to train physicians, there are other ways. I added that since this ministry has not been approved by the Majlis, in view of the university experience we have on the revolutionary staff, it should be carried out in that way. That is, independent medical schools should be established, and not be mixed with the matter of health care, health treatment, and medical affairs. The president of the university should not be the director of health care either, because the president of a university has enough responsibility. We said that medical schools for basic medical science should be established within this same

ministry, and have its beds be distributed among all the teaching hospitals. It was not a question therefore of opposition, but rather one of what sort of facilities the Ministry of Health, Health Care, and Medical Training should have.

In another part of his response, he said: Concerning deputy ministers, I have seven deputy ministers, two of whom are physicians, and I still do not know whether my deputy minister for research is for or against this law. The deputy ministers have a world of work to do and I selected them because of what I know about them.

He added: At the first appearance of the Law to Establish a Ministry of Health, Health Care, and Medical Training there were necessarily some changes, and we said we wanted this law to be implemented and were not opposed to it.

Then Dr Farsi, in his renewed statement, stressed the opposition of the deputy ministers of higher education to the Law to Establish a Ministry of Health, Health Care, and Medical Training, and he expressed the hope that the existing climate of opinion in the universities would be prepared for the acceptance of the Law to Establish a Ministry of Health, Health Care, and Medical Training.

The Thursday public session ended at 12:10, and there will be a public Majlis session tomorrow.

9310

CSO: 4640-411

IRAN

WAYS TO COLLECT TAXES, DUTY EXEMPTIONS ANNOUNCED

Tehran JOMHURI-YE ESLAMI in Persian 21 Jun 86 p 12

[Text] Mohammad Javad Irvani, Minister of Economic Affairs and Finance, discussed with news correspondents the nation's economic policies in connection with the new conditions with which society's economy is faced.

He said that the drop in oil prices is a plot to hurt the Islamic revolution. He said: With the fall in oil prices and the consequent reduction in the nation's income, it became necessary to do some careful planning to improve the nation's economic situation. In the same context, the government's planning has become smoother and more coordinated. These plans include stabilizing the employment situation, prevention of price increases, and protecting the nation's balance of payments. He added: These plans will preserve the nation's true economic independence.

The ISLAMIC REPUBLIC NEWS AGENCY reports that he discussed the budget situation. He said: In the area of revenues, with the drop in oil prices efforts will be made to increase non-petroleum income. On the same basis, this year's tax revenues are up from last year. The Minister of Economic Affairs and Finance noted that in collecting taxes the primary emphasis is on tax justice, and that the proportion of taxes paid by working taxpayers, who are responsible for most of the nation's gross national product, will change.

He added: There will be greater emphasis on Note 16, on the basis of which employment taxes will be used for development costs in the cities and villagers of the taxpayers themselves, in order to make the return on taxes more tangible for the people. He announced: Last year, using this same note, around six billion rials were spent in the provinces, and this is equal to one-sixth of all tax revenues. Irvani also added: To make things easier for taxpayers in Tehran, a special office has been opened in connection with Note 16 at the Ministry of Economic Affairs and Finance called the General Office of Information and Tax Services. Likewise, in connection with making tax collecting more of a popular undertaking, cooperation with the trade guilds will be increased. Concerning costs included in the budget, Irvani said: National administrative reforms have been increased in current expense allocations.

He added: In view of the anti-inflationary effects of development costs, these costs have been given priority, and in any case the government's overall policy in this regard is one of contraction.

Irvani said that future bank policies will be expansionist. He said: Under the new economic conditions, the expansionist policy of the banks will play an important and evolutionary role. He added: In the current year the growth of agricultural facilities will be 20 percent, 12.4 percent in

the housing and construction sector, and 12.4 percent also in the industry and mines sector. Emphasis will be placed on providing facilities in the production sector, and on non-growth in the service sector, which produces inflation.

He added: On the basis of authorization from the Money and Credit Council, more than 515 billion rials will be given in interest-free loans for 1365 [21 Mar 1986 - 20 Mar 1987]. Of this sum, 170 billion rials will go to the agricultural sector, 130 billion rials will be used to meet the needs of employees and staff in the government sector, 60 billion rials will be used to meet the requirements of the people, and 80 billion rials will be spent to procure tools for small production units. He said: Concerning the production sectors, the government will emphasize maintaining the level of employment. Facilities have also been set aside for increasing exports. Statistics on non-petroleum exports for the first two months of the current year [21 March - 21 May 1986] show that the value of these exports has increased 68.8 percent over the same period last year. The Minister of Economic Affairs and Finance discussed the aid and encouragement being considered to increase exports. He said: For this purpose, customs duties and commercial taxes on imported raw materials needed to produce goods for export will be refunded to the exporters. In any case any goods imported to assemble export goods or be consumed in their production is exempt from customs duties and commercial taxes. He added: Machinery needed for production and improvement in the agricultural, animal husbandry, and handicrafts sectors are exempt from customs duties and commercial taxes.

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CSO: 4640/412

IRAN

BRIEFS

INTELLIGENCE MINISTRY ON INSECURITY--News division. Iranian exports in Ordibehesht [21 April-21 May] this year compared to the previous year increased by 13.5 percent in weight, amounting to 43,000 tons, and 73.5 percent in value, amounting to \$67 million. According to this report, in yesterday's meeting of the Cabinet, which was chaired by engineer Mr Hoseyn Musavi, Mr Ja'fari, the minister of commerce, presented a statistical report on non-petroleum exports in Ordibehesht [21 April-21 May] this year and said: During this period, agricultural products, with a share of 50 percent, followed by industrial products, with a share of 25.8 percent, comprised the major non-petroleum exports in that month. Then the minister of information presented a report on his visit to the Provinces of Khuzestan and Lorestan to the Cabinet. According to this report, the sheikhs and khans were presented as the main elements in creating insecurity and conspiracies in those provinces. In the same connection, endorsing the programs of the Ministry of Information in identifying and fighting the elements of insecurity, the government emphasized the necessity of decisive dealing by the authorities. The ratifications of yesterday's session of the Cabinet are as follows. (1) Allocation of 20.5 million rials for the implementation of the expenditures of the parent-teacher association. (2) Allocation of 40 million rials for the implementation of the completion project for 18 sports stadiums in Kerman Province. [Text] [Tehran JOMHURI-YE ESLAMI in Persian 26 Jun 86 p 12] 10,000

MUSAVI, UNION REPRESENTATIVES MEET--Tehran, 3 July, IRNA--Representatives from merchants and technicians unions met Iran's Prime Minister Hoseyn Musavi here Wednesday and announced their full support for the war effort and the government. During the meeting one of the officials reported on establishment of a union headquarters to provide support for the war effort. Prime Minister Musavi said recent Iranian advances in the war are achieved with the effort of people who provide the fronts with industrial equipments. He said Iranian technicians have worked in the front lines beside sending a 87.5 million dollar aid for the combatants. Musavi thanked the religious minorities who help the combatants in war fronts and called for the establishment of an office to connect his office with the unions. [Text] [Tehran IRNA in English 1923 GMT 3 Jul 86 LD] /12913

BLOOD CENTRIFUGE DESIGNED--The central news unit reports that for the first time in the country an experimental centrifuge, which separates fluids with a rotating motion, has been designed and built by a student in the Semnan School of Advanced Technology. An official from the Semnan School of Advanced Technology gave an interview to a correspondent from the central news unit in which he made this announcement. He added: The experimental centrifuge, which separates blood using a circular motion, was designed by Mohammad Hasan Bastami, a student, and given

to the Iran Scientific and Industrial Research Organization. This organization affirmed that the design and its operation are sound. He added: This design has now been built by this student at the Semnan School of Advanced Technology factories, and one of these units will cost one-third the price of its foreign counterpart. According to this report, foundry students at the Semnan School of Advanced Technology have installed and put into operation an automated smelter. Foreign technicians were needed for the construction, installation, and initial operation of this unit, but it was put into operation with collaboration from students at this school. [Text] [Tehran JOMHURI-YE ESLAMI in Persian 2 Jun 86 p 4] 9310

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PAKISTAN

COMMENTARY VIEWS JOINT COMMUNIQUE ON JUNEJO'S U.S. VISIT

BK190623 Karachi Domestic Service in Urdu 0200 GMT 19 Jul 86

[Text] While commending the establishment of a representative democracy in Pakistan, President Reagan has appreciated the steps taken last year by Prime Minister Mohammad Khan Junejo and President Mohammad Ziaul Haq to end martial law and restore complete basic rights to the Pakistani people. This was stated in a joint communique issued on the Pakistani prime minister's official visit to the United States.

The U.S. President and the prime minister agreed that democratic institutions will play an important role in Pakistan's stability and progress. They reviewed bilateral relations and termed them friendly and useful. They expressed the hope that the existing cooperation between them will be further accelerated through the U.S.-Pakistan joint commission and the consultative group. The two sides welcomed the memorandum of understanding relating to technology transfer to Pakistan. They also agreed that private investment missions should be encouraged. The two leaders expressed satisfaction over the successful negotiations early this year on the agreement for more than \$4 billion worth of aid to Pakistan. The President said that the agreement clearly reflects the fact that, in view of Soviet pressure from Afghanistan, the United States is determined to strengthen Pakistan's defense capabilities. One of the major objectives of U.S. aid is also to assist in strengthening Pakistan's economy.

President Reagan and Prime Minister Junejo reviewed in detail the situation in southern and southwest Asia. They expressed grave concern over the serious repercussions on regional and international peace due to continued Soviet occupation of Afghanistan. They condemned the frequent Afghan attacks on Pakistani territory. The President reaffirmed U.S. support to nonaligned Pakistan's independence, security and territorial integrity. The two leaders stressed the need for an immediate political settlement of the Afghanistan issue. The U.S. President strongly supported Pakistan's consistent efforts for a peaceful settlement of the Afghanistan issue and expressed the hope that the Kabul administration will put forward a short-term schedule for Soviet troop withdrawal from Afghanistan at the next round of indirect talks in Geneva. President Reagan lauded Pakistan for bravely facing the Soviet pressure resulting from the Afghanistan crisis and its humanitarian assistance to Afghan refugees. The two leaders agreed that there is a need to increase the humanitarian assistance to numerous Afghans affected by the Afghanistan dispute.

Mohammad Khan Junejo apprised the U.S. President of the talks between Pakistan and India to improve their relations. The American President welcomed the pledge by the Pakistani and Indian governments to refrain from attacking each other's nuclear installations and hoped that the talks between the two countries on normalizing relations will continue and prove successful.

The prime minister referred to his government's efforts to promote regional cooperation in South Asia. The President supported the regional efforts for the promotion of regional peace and cooperation.

President Reagan emphasized that he is strongly in favor of arms control and nonproliferation of nuclear weapons. The prime minister supported the U.S. efforts for arms control and non proliferation of nuclear weapons. The prime minister reiterated that Pakistan's nuclear program is purely for peaceful purposes. Both leaders agreed that it is the duty of all regional countries to ensure the use of nuclear energy for peaceful purposes only and to make joint efforts to check the spread of nuclear weapons.

The prime minister and the U.S. President expressed deep concern over the increasing threat to mankind as a result of international trafficking in narcotics. They exchanged views on the steps to curb production of opium and other harmful drugs and agreed to further stabilize their cooperation in narcotics control.

The joint communique said that the prime minister had detailed discussions with President Reagan, his senior officials, and congressmen on matters of mutual interest relating to promotion of global peace and security, political cooperation, and economic progress. The prime minister thanked the American President and people for liberal U.S. aid to Pakistan during the last 35 years and for according a warm welcome to him and his delegation. President Reagan said that he will visit Pakistan at an appropriate time.

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PAKISTAN

BRIEFS

SUBVERSIVE LITERATURE 'SECRETLY DISTRIBUTED'--Karachi, 30 June--It has been learned that G.M. Seyyed's book "Pakistan Should Break Up Now", published in India, is being secretly distributed among scholars, students, and political workers in Sind. The book carries strong criticism on Pakistan, Islam, Quaid-i-Azam, great scholar Iqbal, and Liaquat 'ali Khan. On some pages abusive words are used against them. Even personal attacks have been made on the Quaid-i-Azam and the great scholar Iqbal. G.M. Seyyed and his group for years have been considering the emigrants [those who migrated to Pakistan from India during the partition] as Sindis, but in this book the emigrants have been criticized very severely. It has also been learned that in Thatta District the supporters of "Sindhudesh" [those who wish Sind to secede from Pakistan on the lines of Bangladesh] held a meeting at which they unfurled the "Sindhudesh" flag, and the ax-wielder-group saluted the flag. [Text] Lahore NAWA-I-WAQT in Urdu 30 Jun 86 p 1 GF] /12913

WHEAT EXPORTS PLANNED--Pakistan is to export wheat again this year as the harvest has been very good. Minister of State for Food and Agriculture Sartaj Aziz said in Islamabad yesterday that the federal cabinet has initially approved the export of half a million metric tons of wheat. Later, it will be determined how much excess wheat still remains to be exported. He said that the latest figures show that 14 million tons of wheat was produced this year, an increase of 2.3 million tons over last year's production. This is an increase of 1.5 million tons over the old record of 12.4 million tons set in 1982-83. [Text] [Karachi Domestic Service in Urdu 0200 GMT 1 Jul 86 BK] /12913

NEW AMBASSADORS--The ambassadors designate to Mozambique, Ghana, and Nepal--Mohammad Naseer, Iftikhar Ali Sheikh and M. Ziaul Haq--met with President Mohammad Ziaul Haq in Rawalpindi last evening [1 July]. [Text] [Karachi Domestic Service in Urdu 0200 GMT 2 Jul 86 BK] /12913

COTTON EXPORT TARGET EXCEEDED--Pakistan has exceeded both quantity and foreign exchange earning targets for raw cotton exports during the past fiscal year. A spokesman for the cotton export corporation said in Karachi today that 3.86 million bales of cotton valued at \$520 million were exported during the period. [Summary] [Karachi Domestic Service in Urdu 1500 GMT 2 Jul 86 BK] /12913

PRIME MINISTER'S POLITICAL ADVISER--Raja Mohammad Zafarul Haq has been appointed the prime minister's adviser for political affairs. He will enjoy the status of a federal minister. The appointment is effective immediately. [Text] [Karachi Domestic Service in Urdu 1500 GMT 9 Jul 86 BK] /12913

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